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May 9, 2000

VIA HAND DELIVERY

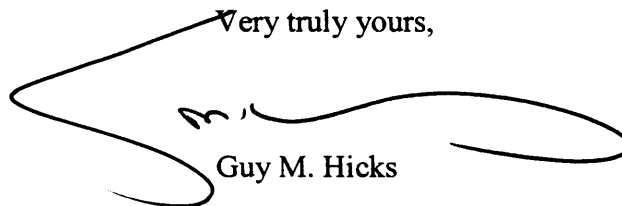
David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Petition of MCImetro Access Transmission Services, LLC and Brooks Fiber Communications of Tennessee, Inc. for Arbitration of Certain Terms and conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996*
Docket No. 00-00309

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth Telecommunications, Inc.'s Response to the Petition for Arbitration under the Telecommunications Act of 1996 filed by MCImetro and Brooks Fiber. Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,



Guy M. Hicks

GMH:ch
Enclosure

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

In re: Petition of MCImetro Access)
Transmission Services, LLC and)
Brooks Fiber Communications of Tennessee,)
Inc. for Arbitration of Certain Terms)
and Conditions of Proposed Agreement)
with BellSouth Telecommunications, Inc.)
Concerning Interconnection and Resale)
Under the Telecommunications Act of 1996)

Docket No. 00-00309

**BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE
TO THE PETITION FOR ARBITRATION UNDER THE
TELECOMMUNICATIONS ACT OF 1996 FILED BY
MCIMETRO AND BROOKS FIBER**

In accordance with 47 U.S.C. § 252(b)(3), BellSouth Telecommunications, Inc. ("BellSouth") submits this Response to the Petition for Arbitration filed by MCImetro Access Transmission Services, LLC ("MCIm") and Brooks Fiber Communications of Tennessee, Inc. ("Brooks Fiber") pursuant to the Telecommunications Act of 1996, 47 U.S.C. § 251, *et seq.*, 110 Stat. 56 ("the 1996 Act").

INTRODUCTION

Sections 251 and 252 of the 1996 Act encourage negotiations between parties to reach voluntary local interconnection agreements. Section 251(c)(1) requires incumbent local exchange companies to negotiate the particular terms and conditions of agreements to fulfill the duties described in §§ 251(b) and 251(c)(2-6).

Since passage of the 1996 Act on February 8, 1996, BellSouth has successfully conducted negotiations with numerous competitive local exchange carriers ("CLECs") in Tennessee. To date, the Tennessee Regulatory Authority ("TRA") has approved numerous agreements between BellSouth and certified CLECs. The nature and extent of those agreements

vary depending on the individual needs of the companies, but the conclusion is inescapable: BellSouth has a strong record of embracing competition and displaying a willingness to compromise to interconnect on fair and reasonable terms. BellSouth has been negotiating the terms of new interconnection agreements with MCI and Brooks Fiber since November 1999. Although the parties reached agreement on a number of issues, many issues remain unresolved. As a result, MCI and Brooks Fiber jointly filed the Petition for Arbitration (“Petition”) on April 14, 2000.

Pursuant to the 1996 Act, when parties cannot successfully negotiate an interconnection agreement, either may petition a state commission, such as the TRA, for arbitration of unresolved issues between the 135th and 160th day from the date a request for negotiation was received.¹ The petition must identify which issues have been resolved through negotiation, as well as those that remain unresolved.² Along with its petition, the petitioning party must submit “all relevant documentation concerning: (1) the unresolved issues; (2) the position of each of the parties with respect to those issues; and (3) any other issue discussed and resolved by the parties.”³ A non-petitioning party to a negotiation under this section may respond to the other party’s petition and provide such additional information as it wishes within twenty-five days after the state commission receives the petition.⁴ The 1996 Act limits the state commission’s

¹ 47 U.S.C. § 252(b)(2).

² *See generally*, 47 U.S.C. §§ 252 (b)(2)(A) and 252 (b)(4).

³ 47 U.S.C. § 252(b)(2).

⁴ 47 U.S.C. § 252(b)(3).

consideration of any petition (and any response thereto) to the unresolved issues set forth in the petition and in the response.⁵

Through the arbitration process, the TRA must decide the unresolved issues that are properly set forth in the Petition and this Response to ensure that the requirements of Sections 251 and 252 of the 1996 Act are met. The obligations contained in those sections of the 1996 Act are the obligations that form the basis for negotiation and, if negotiations are unsuccessful, also form the basis for arbitration. Issues or topics not specifically related to these areas are outside the scope of an arbitration proceeding. Once the TRA has provided guidance on the unresolved issues, the parties must incorporate those resolutions into a final agreement to be submitted to the TRA for approval.⁶

BellSouth submits the following responses to the individual paragraphs of the Petition⁷:

PARTIES

1. BellSouth admits that MCIm is certified to provide local exchange service in Tennessee and is a “telecommunications carrier” and “local exchange carrier” as defined under the 1996 Act. BellSouth is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 1.

2. BellSouth admits that Brooks Fiber is certified to provide local exchange service in Tennessee and is a “telecommunications carrier” and “local exchange carrier” as defined

⁵ 47 U.S.C. § 252(b)(4).

⁶ 47 U.S.C. § 252(a).

⁷ Throughout its Petition, MCIm characterizes BellSouth’s position on the issues. While these characterizations are generally accurate, there are instances where MCIm has not correctly reflected BellSouth’s position. Out of an abundance of caution, BellSouth denies all allegations in the Petition which consist of MCIm’s restatement of BellSouth’s position.

under the 1996 Act. BellSouth is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 2.

3. BellSouth admits the allegations in Paragraph 3.

4. BellSouth admits the allegations in Paragraph 4.

5. BellSouth admits the allegations in Paragraph 5.

JURISDICTION

6. BellSouth admits that the TRA has jurisdiction over the unresolved issues that have properly been raised in the Petition and BellSouth's Response. BellSouth also admits the remaining allegations in Paragraph 6.

NEGOTIATIONS

7. BellSouth denies that either the Petition or Exhibit B to the Petition accurately identifies the unresolved issues that have arisen during negotiations. BellSouth admits the remaining allegations in Paragraph 7.

8. BellSouth admits that a "draft" of the interconnection agreement is attached to the Petition as Exhibit C. However, BellSouth affirmatively asserts that this "draft" does not include all of the issues that remain unresolved between the parties. BellSouth denies the remaining allegations in Paragraph 8.

9. Although BellSouth admits that MCI (along with Brooks Fiber) is requesting that the TRA approve the "draft" interconnection agreement attached as Exhibit C to the Petition, BellSouth affirmatively asserts that the TRA should not do so. BellSouth denies the remaining allegations in Paragraph 9.

STATEMENT OF DISPUTED ISSUES

A. Pricing Issues

ISSUE I

Issue: Should BellSouth be allowed to impose a manual OSS charge when it fails to provide an electronic interface? (Attachment 1, section 2.9; *Attachment 8, Section 3.1.4*).

10. BellSouth denies the allegations in Paragraph 10. Rates for manual OSS orders should apply whenever MCIm⁸ places an order manually, regardless of whether MCIm does so for its own business reasons or because BellSouth may not have an electronic interface that will allow MCIm to place orders electronically. The rates for manual OSS orders are designed to recover the costs associated with processing manual orders. And, BellSouth incurs those costs no matter what the reason for the submission of a manual order. Moreover, permitting BellSouth to charge TRA-approved rates for manual orders only when BellSouth “makes electronic interfaces available” will not encourage BellSouth to develop efficient electronic ordering systems, as MCIm claims. First, most resold services and unbundled network elements can be ordered electronically today via one of BellSouth’s electronic interfaces. Second, the majority of orders that currently cannot be placed electronically are orders for complex services that BellSouth handles on a manual basis for its own retail customers. BellSouth proposes to charge MCIm the rates for manual OSS orders established by the TRA in Docket 97-01262.

⁸ The substantive paragraphs of the Petition refer to MCIm, but not Brooks Fiber. Accordingly, the substantive paragraphs of this Response also refer to MCIm. To the extent that the substantive paragraphs of the Petition concern or relate to Brooks Fiber, this Response should be read to include Brooks Fiber wherever reference to MCIm is made.

ISSUE 2

Issue: What prices should be included in the agreement? (Attachment 1, Appendix 1).

11. BellSouth denies the allegations in Paragraph 11. The rates in the existing BellSouth-MCIm agreement should be incorporated into the parties' new interconnection agreement until such time as the TRA issues a final order in Docket 97-01262, after which the rates established in Docket 97-01262 will be incorporated into the new interconnection agreement and the rates in the old and new interconnection agreements will be trued up, if necessary. With respect to rates for services or elements for which the existing BellSouth-MCIm agreement does not provide a rate, including additional elements that BellSouth is required to provide under the FCC's Rule 319 Remand Order and rates for other interconnection services, BellSouth will propose rates and submit testimony in support of those rates in this proceeding. In its proposed rates, MCIm has recommended a zero rate for certain services. The TRA should reject summarily MCIm's suggestion that it receive certain services for free while this matter is under consideration.

B. Resale Issues

ISSUE 3

Issue: Should the resale discount apply to all telecommunication services BellSouth offers to end users, regardless of the tariff in which the service is contained? (Attachment 2, Section 1.1.1).

12. The 1996 Act speaks for itself. Therefore, any allegations in Paragraph 12 regarding the content of the 1996 Act require neither an admission nor a denial by BellSouth.

13. BellSouth denies the allegations in Paragraph 13. Section 251(c)(4) of the 1996 Act obligates BellSouth to offer for resale at wholesale rates any telecommunications service that BellSouth provides at retail to subscribers who are not telecommunications carriers. The FCC

has made clear that exchange access services are not subject to the resale requirements of the 1996 Act, even though such services are sometimes sold to end-users. *See First Report and Order, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 15499 ¶¶ 872-874 (Aug. 8, 1996) (“*First Report and Order*”), *vacated in part, Iowa Utils. Bd. v. FCC*, 120 F.3d 753 (8th Cir. 1997), *rev’d in part, aff’d in part sub nom. AT&T Corp. v. Iowa Utils. Bd.*, 119 S. Ct. 721 (1999).

C. Unbundled Network Element Issues

ISSUE 4

Issue: Should BellSouth have the right to determine unilaterally the demarcation points for access to UNEs? (Attachment 3, Section 2.2; Part B).

14. The 1996 Act and the FCC’s rules speak for themselves. Therefore, any allegations in Paragraph 14 regarding the content of that statute or those rules require neither an admission nor a denial by BellSouth. However, BellSouth admits that it has the duty to provide MCIm with “nondiscriminatory access to network elements on an unbundled basis at any technically feasible point” and affirmatively asserts that it has complied and will continue to comply with this duty. BellSouth denies the remaining allegations in Paragraph 14.

ISSUE 5

Issue: Should BellSouth be required to provide OS/DA as a UNE? (Attachment 3, Section 2.8).

15. The FCC’s order speaks for itself. Therefore, any allegations in Paragraph 15 regarding the content of that order require neither an admission nor a denial by BellSouth. BellSouth denies the remaining allegations in Paragraph 15.

16. BellSouth provides customized routing consistent with the requirements of the FCC and the TRA. Thus, BellSouth is not required to provide operator services and directory

assistance as unbundled network elements under the FCC's rules. BellSouth denies the remaining allegations in Paragraph 16.

ISSUE 6

Issue: Should BellSouth be directed to perform, upon request, the functions necessary to combine unbundled network elements that are ordinarily combined in its network? (Attachment 3, section 2.4; *Attachment 1, Section 1.5*).

17. BellSouth denies the allegations in Paragraph 17. Neither the 1996 Act nor the FCC regulations promulgated thereunder require BellSouth to offer to CLECs combinations of UNEs which are not currently combined in BellSouth's network. Indeed, the FCC specifically declined to adopt the definition of "currently combined," advocated by MCI, that would include all elements "ordinarily combined" in the incumbent's network. *See Third Report and Order and Fourth Further Notice of Proposed Rulemaking, In re: Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket 96-98, (Nov. 5, 1999) ("*Third Report and Order*") at ¶ 480 (declining to "interpret rule 51.315(b) as requiring incumbents to combine unbundled network elements that are 'ordinarily combined' ..."). Thus, MCI's position on this issue should be rejected. Nevertheless, BellSouth is willing to negotiate a voluntary commercial agreement with MCI to perform certain services or functions that are not subject to the requirements of the 1996 Act.

18. BellSouth denies the allegations in Paragraph 18 for the reasons set forth in Paragraph 17 above.

ISSUE 7

Issue: Should BellSouth be required to combine network elements that are not ordinarily combined in its network? (Attachment 3, section 2.11).

19. BellSouth denies the allegations in Paragraph 19 for the reasons set forth in Paragraph 17 above.

ISSUE 7A

Issue: Should BellSouth charge MCI WorldCom only for UNEs that it orders and uses, and should UNEs ordered and used by MCI WorldCom be considered part of its network for reciprocal compensation and switched access charges? (Attachment 3, section 2.12 and Attachment 4, section 9.11).

BellSouth denies the allegations in the unnumbered paragraph between Paragraphs 19 and 20 of the Petition. BellSouth compensates a CLEC for facilities and elements that the CLEC actually uses to terminate traffic on its network; likewise, the CLEC should compensate BellSouth for the facilities and elements that BellSouth actually uses for terminating traffic on BellSouth's network. With respect to unbundled local switching (whether by itself or in combination with other UNEs), MCI is not entitled to reciprocal compensation because BellSouth does not bill MCI for terminating usage on that network element.

ISSUE 8

Issue: Should UNE specifications include non-industry standard, BellSouth proprietary standards? (Attachment 3, Appendix 1; Attachment 3, Sections 4.3-4.14).

20. BellSouth denies the allegations in Paragraph 20. Although industry standards provide useful guidance for the provision and maintenance of unbundled network elements, BellSouth affirmatively asserts that industry standards do not presently exist for each and every unbundled network elements, including unbundled loops. In the absence of industry standards, BellSouth has developed technical requirements describing the unbundled loops offered by BellSouth and how these elements relate to any existing industry standards. These technical requirements should be incorporated in the parties' interconnection agreement.

ISSUE 9

Issue: Should MCIm be required to use a special construction process, with additional costs, to order facilities of the type normally used at a location, but not available at the time of the order? (Attachment 3, Section 4.1.1)

21. BellSouth admits that it has proposed language making clear that MCIm can use the special construction process if it wants BellSouth to build facilities when a particular loop type is not available at a location requested by MCIm and cannot be made available by loop conditioning. BellSouth's proposed language is consistent with the FCC's rules, which require BellSouth to unbundle existing network facilities but do not obligate BellSouth to construct such facilities where they presently do not exist. BellSouth denies the remaining allegations in Paragraph 21.

ISSUE 10

Issue: Should the Interconnection Agreement contain terms governing spectrum compatibility and spectrum management? (Attachment 3, Sections 4.2-4.3 [sic]; *Attachment 3, Sections 4.2.4.7-4.2.4.9.3*)

22. The FCC's rules speak for themselves. Therefore, any allegations in Paragraph 22 regarding the content of those rules require neither an admission nor a denial by BellSouth. BellSouth admits that spectrum compatibility and spectrum management "are vitally important to the deployment of DSL service," which is why BellSouth has agreed to incorporate in the parties' interconnection agreement language concerning these issues consistent with the FCC rules. BellSouth denies the remaining allegations in Paragraph 22.

ISSUE 11

Issue: Should MCIm access the feeder distribution interface directly or should BellSouth be permitted to introduce an intermediate demarcation device? (Attachment 3, Sections 4.5.1.1.1, 4.5.1.2.3).

23. The FCC order speaks for itself. Therefore, any allegations regarding that order in Paragraph 23 regarding the content of the order require neither an admission nor a denial by BellSouth. Moreover, BellSouth denies that any FCC rule requires that MCIIm be permitted to have direct access to the feeder distribution interface. Allowing such access would adversely impact network reliability, which is an issue of “technical feasibility” under the FCC rules. 47 C.F.R. § 51.5. To minimize adverse network reliability impacts, BellSouth proposes to establish an access terminal within the BellSouth cross-connect device by which MCIIm can access BellSouth’s loop feeder. BellSouth should be permitted to take reasonable measures to protect network reliability when MCIIm seeks access to other BellSouth facilities as well. BellSouth denies the remaining allegations in Paragraph 23.

ISSUE 12

Issue: Should the Interconnection Agreement contain terms governing the provision of optical loop concentrators, intelligent loop concentrators, and DSLAMs as unbundled network elements? (Attachment 3, Section 4.6-4.9).

24. BellSouth admits that MCIIm has proposed contract language for the provision of optical loop concentrators, Digital Subscriber Access Multiplexers (“DSLAMs”), and “intelligent” loop concentrators as unbundled network elements. Such language should be rejected because: (i) while BellSouth is willing to offer an unbundled optical loop concentrator, there has been no demand for this network element, and BellSouth agrees to work with MCIIm to make it available upon receipt of a specific request from MCIIm; (2) BellSouth is not obligated to offer DSLAMs as unbundled network elements; and (3) BellSouth is not familiar with the term “intelligent” loop concentrator, and MCIIm has never explained what it has in mind. BellSouth denies the remaining allegations in Paragraph 24.

ISSUE 13

Issue: Is optical feeder a subloop element which BellSouth must provide upon request? (Attachment 3, Sections 4.5.1.3 [sic]-4.5.1.5).

25. The FCC rules speak for themselves. Therefore, any allegations in Paragraph 25 regarding the content of those rules require neither an admission nor a denial by BellSouth. Moreover, BellSouth denies that optical feeder is a subloop element of a particular loop type.

26. BellSouth denies the allegations in Paragraph 26. When MCIIm requests a particular type of unbundled loop, the requested loop may or may not be provisioned over optical feeder. When the requested loop is provisioned over optical feeder, BellSouth will provide MCIIm with access to optical feeder. However, BellSouth is not required to install optical feeder where it is not available in BellSouth's network, as MCIIm's proposed language purports to require BellSouth to do.

ISSUE 14

Issue: Should BellSouth leave in place any regenerators or amplifiers installed on its dark fiber (to the extent any regenerators or amplifiers are installed on the fiber), unless requested otherwise by MCIIm? (Attachment 3, Section 6.1).

27. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

28. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

29. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 15

Issue: When an MCIIm customer served via the unbundled network element-platform makes a directory assistance or operator call, must the ANI-II digits be

transmitted to MCIIm via Feature Group D signaling form the point of origination? (Attachment 3, Section 7.2.1.16).

30. The FCC rules speak for themselves. Therefore, any allegations in Paragraph 30 regarding the content of those rules require neither an admission nor a denial by BellSouth. BellSouth admits that it will provide Feature Group D signaling with customized routing to MCIIm when MCIIm acquires the so-called “unbundled network element platform” and that BellSouth has offered a number of different ways to provide MCIIm with the signaling it desires. BellSouth denies the remaining allegations in Paragraph 30.

ISSUE 16

Issue: Should BellSouth be required to provide GR-303 equipped integrated digital loop carrier? (Attachment 3, Section 4.3).

31. BellSouth admits that GR-303 equipped Digital Loop Carrier (“DLC”) systems are the most modern version of DLC available today and that in some circumstances it is the most efficient version to deploy in the network. However, BellSouth affirmatively asserts that there are any number of situations in which the deployment of GR-303 would not be the most efficient choice of network design and opposes MCIIm’s apparent desire to have MCIIm dictate how BellSouth designs its network. BellSouth denies the remaining allegations in Paragraph 31.

32. BellSouth admits that GR-303 equipped DLC systems allow for greater concentration, which can reduce feeder costs. BellSouth also admits that GR-303 equipped DLC systems permit the loop to be electronically cross-connected to the feeder transport. However, there are any number of methods and procedures that would have to be developed (both by BellSouth and by CLECs) to implement such electronic cross-connects, which BellSouth is willing to develop with MCIIm. BellSouth denies the remaining allegations in Paragraph 32.

33. BellSouth admits that use of GR-303 equipped DLC systems is “technically feasible” and that such systems are “being deployed today by telephone companies.” BellSouth also admits that in some circumstances GR-303 equipped DLC is the most efficient DLC version to deploy in the network, which can save on feeder costs. BellSouth is willing to make its GR-303 equipped DLC facilities available to MCI on an unbundled basis where such equipment exists and is willing to work cooperatively with MCI to develop the methods and procedures so that MCI can make use of the functionality it desires.

ISSUE 17

Issue: Is optical feeder a subloop element which BellSouth must provide upon request? (Attachment 3, Section 4.5.1.5).

34. BellSouth agrees with MCI that this issue is the same as MCI Issue 13. To the extent a response is required to Paragraph 34, BellSouth’s response to Issue 13 (set forth in paragraphs 25 and 26 above) is incorporated herein by reference.

ISSUE 18

Issue: Is BellSouth required to provide all technically feasible unbundled dedicated transport between locations and equipment designated by MCI so long as the facilities are used to provide telecommunications services, including interoffice transmission facilities to network nodes connected to MCI switches and to the switches or wire centers of other requesting carriers? (Attachment 3, section 10.1).

35. The 1996 Act and the FCC rules speak for themselves. Therefore, any allegations in Paragraph 35 regarding the content of that statute or those rules require neither an admission nor a denial by BellSouth. BellSouth admits that it is only required to provide transport between its central offices or between its central offices and those of the requesting carriers. *First Report and Order*, p. 440. This is consistent with the FCC’s definition of “dedicated transport,” which refers to the “incumbent LEC transmission facilities dedicated to a particular customer or carrier

that provide telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers.” 47 C.F.R. § 51.319(d)(1)(A). The FCC’s unbundling requirements refer to the existing dedicated transport facilities in BellSouth’s network and cannot reasonably be read to require BellSouth to construct transport facilities between other carriers’ locations, as MCI seeks to have BellSouth do. BellSouth denies the remaining allegations in Paragraph 35.

ISSUE 19

Issue: How should BellSouth be required to route operator services and directory assistance traffic to MCI’s operator services and directory assistance platforms? (Attachment 3, sections 7.3.2, 7.3.2.2, 7.3.2.3, 7.6.4., 14.2.1.5 and 14.2.8; Attachment 9, sections 2.8.1, 2.8.1.1, 3.2.1.1, 3.5.2 and 3.5.2.1).

36. BellSouth denies the allegations in Paragraph 36. The operator services and directory assistance end office functions require dedicated trunk groups from BellSouth end offices to the Traffic Operator Position System (“TOPS”) platform.

37. BellSouth provides customized routing (also referred to as selective call routing) as required by and consistent with FCC rules and orders of the TRA. BellSouth denies the remaining allegations in Paragraph 37.

38. BellSouth denies the allegations in Paragraph 38. The operator services and directory assistance end office functions require dedicated trunk groups from BellSouth end offices to the TOPS platform, and BellSouth provides customized routing as required by and consistent with FCC rules and orders of the TRA.

ISSUE 20

Issue: Should BellSouth be required to provide integrated packet handling capabilities in its ISDN switching offering?

39. BellSouth admits that MCIm has proposed language that purports to require BellSouth to provide integrated packet handling capabilities in its ISDN switching offering. BellSouth also admits that, when MCIm purchases an ISDN unbundled port, BellSouth will make available all features, functions, and capabilities of that port, which may include integrated packet handling capabilities. However, BellSouth is not required to unbundle packet switching consistent with FCC Rule 51.319(c)(4).

ISSUE 21

Issue: Should BellSouth be required to provide line class codes to MCIm in BellSouth's switches throughout its nine state region within specified intervals? (Attachment 3, Section 7.6.5).

40. BellSouth admits that it has proposed language by which it will provide Line Class Codes to MCIm throughout BellSouth's nine-state region at specified intervals. It is not clear what additional "clarification" MCIm needs or wants.

ISSUE 22

Issue: Should the Interconnection Agreement contain terms addressing line sharing? (Attachment 3, Sections 14.1-14.1.8).

41. BellSouth does not object to the issue of line sharing being addressed in the Interconnection Agreement. But, BellSouth's proposed language should be adopted in favor of MCIm's because BellSouth's proposed language is the product of numerous meetings among BellSouth and various CLECs. BellSouth's proposed language is attached to this Response as Exhibit 1.

ISSUE 23

Issue: Does MCI's right to dedicated transport as an unbundled network element include SONET rings which exist on BellSouth's network? (Attachment 3, Sections 10.2.3, 10.5.2, 10.5.6.3, 10.5.9, 10.6, 10.7.2.16).

42. The 1996 Act and the FCC's rules speak for themselves. Therefore, any allegations in Paragraph 42 regarding the content of that statute or those rules require neither an admission nor a denial by BellSouth.

43. BellSouth admits that MCI has proposed language purporting to obligate BellSouth to unbundle SONET rings. BellSouth also admits that it has refused to accept such language because it is inconsistent with the FCC's rules. BellSouth denies the remaining allegations in Paragraph 43.

ISSUE 24

Issue: Should BellSouth be required to support C-bit parity? (Attachment 3, Section 10.5.6.2).

44. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 25

Issue: Should BellSouth be required to use spare facilities, when available, to bring MCI customers back on line as quickly as possible? (Attachment 3, Section 10.7.2.12).

45. BellSouth admits that MCI has proposed language that would purport to require BellSouth to provide spare facilities, where available, in order to restore service to MCI customers. BellSouth also admits that it provides nondiscriminatory access to MCI and all other CLECs with respect to maintenance and repair, which does not require that BellSouth provide spare facilities in every instance. BellSouth denies that MCI should be permitted to dictate the methods by which BellSouth conducts repairs on BellSouth's network and

affirmatively asserts that experience has shown that fixing existing facilities rather than using spare facilities is often the fastest method of restoring a customer's service. BellSouth denies the remaining allegations in Paragraph 45.

ISSUE 26

Issue: Should BellSouth be required to permit MCIIm to provision LIDB records associated with MCIIm customers (such as additions, updates and deletions) directly into BellSouth's the LIDB provisioning process? (Attachment 3, Section 14.4.2.10).

46. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 27

Issue: What access must BellSouth provide to its Advanced Intelligent Network and Service Creation Environment and Service Management Systems? (Attachment 3, Section 13.6).

47. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 28

Issue: Should BellSouth provide the calling name database via electronic download or via similar convenient media? (Attachment 3, Section 13.7)

48. BellSouth admits that access to BellSouth's Calling Name ("CNAM") database is needed in order for MCIIm to provide Caller ID service. BellSouth affirmatively asserts that it provides such access to MCIIm consistent with the requirements of the 1996 Act and applicable FCC rules. BellSouth denies the remaining allegations in Paragraph 48.

49. The FCC order referenced in Paragraph 49 speaks for itself. Therefore any allegations regarding the content of that order require neither an admission nor a denial by BellSouth.

50. BellSouth admits that providing an “electronic download” of CNAM is “technically feasible,” but denies that a download of the database is “efficient” or required in order for BellSouth to provide nondiscriminatory access to its call-related databases. BellSouth denies the remaining allegations in Paragraph 50.

ISSUE 29

Issue: Should calls from MCI customers to BellSouth customers served via Uniserve, Zipconnect, or any other similar service, be terminated by BellSouth from the point of interconnection in the same manner as other local traffic, without a requirement for special trunking? (Attachment 4, section 1.1.1).

51. BellSouth admits that its ZipCONNECT® and UniServe® services permit callers to dial a local call to reach a variety of locations. BellSouth proposes that MCI customers use these services in the same manner and under the same terms and conditions as customers of other telecommunications carriers. BellSouth denies the remaining allegations in Paragraph 51.

52. BellSouth admits that, because UniServe® service utilizes operator services switching functionality, MCI must bring its own facilities, or lease facilities from BellSouth, to the TOPS platform in order for MCI customers to reach UniServe® service subscribers, which is consistent with what BellSouth and other telecommunications carriers are required to do. However, BellSouth denies that MCI must bring its own facilities, or lease facilities from BellSouth, to the TOPS platform in order for MCI customers to reach subscribers to BellSouth’s ZipCONNECT® service. Because ZipCONNECT® service uses BellSouth’s AIN platform to perform specialized routing of calls to the 203 NXX code, these calls are delivered to the BellSouth Access Tandem. BellSouth denies the remaining allegations in Paragraph 52.

53. The 1996 Act and the FCC’s *First Report and Order* speak for themselves. Therefore, any allegations in Paragraph 53 regarding the content of the statute or the FCC’s order require neither an admission nor a denial by BellSouth. Moreover, BellSouth denies that its

UniServe® offering violates the interconnection requirements of either the 1996 Act or the *First Report and Order*.

54. The 1996 Act and the FCC's *First Report and Order* speak for themselves. Therefore, any allegations in Paragraph 54 regarding the content of the statute or the FCC's order require neither an admission nor a denial by BellSouth. Moreover, BellSouth denies that its UniServe® offering violates the reciprocal compensation requirements of either the 1996 Act or the *First Report and Order*.

ISSUE 30

Issue: How should Joint Fiber Facilities be augmented? (Attachment 4, Section 1.7).

55. BellSouth understood that this issue was resolved. However, BellSouth affirmatively asserts that the matter of augmenting the underlying facilities over which those trunks are provisioned should be decided on a case-by-case basis rather than by means of an artificial "trigger" as proposed by MCIm. BellSouth denies the remaining allegations in Paragraph 55.

ISSUE 31

Issue: What level of capacity should initially be purchased and installed on joint optical interconnection facilities? (Attachment 4, Section 1.6.3 and Section 1.6.2.9).

56. BellSouth denies that a specific level of capacity needs to or should be equipped on every joint fiber optic facility since such capacity may not be necessary. BellSouth is willing to include language in the parties' interconnection agreement whereby a technical team composed of BellSouth and MCIm personnel should be established to work out procedures for implementing appropriate capacity on a jointly provisioned optical interconnection facility. BellSouth denies the remaining allegations in Paragraph 56.

ISSUE 32

Issue: Should there be any charges for use of a joint optical interconnection facility built 50% by each party? (Attachment 4, Sections 1.6.8, 1.6.9 [sic]; *Sections 1.6.1.8, 1.6.1.9*).

57. BellSouth denies the allegations in Paragraph 57 of the Petition. BellSouth affirmatively asserts that in any mutually agreed to joint interconnection agreement each party should maintain its part of the infrastructure to a common interconnection point, but that such joint provisioning does not excuse a party from paying the appropriate charges for services provided over those facilities.

ISSUE 33

Issue: Does MCIIm have the right to require interconnection via a Fiber Meet Point arrangement, jointly engineered and operated as a SONET Transmission System (SONET ring)? (Attachment 4, Section 1.6.9 [sic]; *Section 1.6*).

58. The 1996 Act and the FCC's rules speak for themselves. Therefore, any allegations in Paragraph 58 regarding the content of the statute or the FCC's rule require neither an admission nor a denial by BellSouth.

59. BellSouth supports fiber optic meet point arrangements in which both parties build and maintain optical facilities to a mutually agreed to meet point and acknowledges that such arrangements are "technically feasible." The operative phrase is "mutually agreed to." BellSouth will agree to such an arrangement where it makes economic sense to do so. However, nothing in any FCC rule or order requires BellSouth to jointly engineer and operate a SONET ring with MCIIm at MCIIm's insistence under the guise of "obtaining interconnection." BellSouth denies the remaining allegations in Paragraph 59.

60. Although MCI attempts to portray the engineering and operation of a SONET ring as an “interconnection” issue, it in fact is a dedicated transport issue. The FCC specifically has addressed the SONET ring issue:

Notwithstanding the fact that we require incumbents to unbundle high-capacity transmission facilities, we reject Sprint’s proposal to require incumbent LECs to provide unbundled access to SONET rings. In the Local Competition First Report and Order, the Commission limited an incumbent LEC’s transport unbundling obligation to existing facilities, and did not require incumbent LECs to construct facilities to meet a requesting carrier’s requirements where the incumbent LEC has not deployed transport facilities for its own use. Although we conclude that an incumbent LEC’s unbundling obligation extends throughout its ubiquitous transport network, including ring transport architectures, we do not require incumbent LECs to construct new transport facilities to meet specific competitive LEC point-to-point demand requirements for facilities that the incumbent LEC has not deployed for its own use.

Third Report and Order, at ¶ 324 (footnotes omitted). The sections of the 1996 Act and FCC orders concerning local interconnection cited in Paragraph 60 speak for themselves. But, more importantly, they have nothing to do with this issue. BellSouth denies the remaining allegations in Paragraph 60.

61. BellSouth admits that fiber meet point interconnection arrangements are technically feasible. However, BellSouth denies that MCI’s insistence that BellSouth jointly engineer and operate a SONET ring when “required” by MCI constitutes a “method of interconnection.” BellSouth denies the remaining allegations in Paragraph 61.

ISSUE 34

Issue: Is BellSouth obligated to provide and use two-way trunks that carry each party’s traffic? (Attachment 4, sections 2.1.1.2 and 2.1.2; *Sections 2.1.1.8, 2.3.1.1*).

62. The FCC’s rules speak for themselves. Therefore, any allegations in Paragraph 62 regarding the content of the FCC’s rule require neither an admission nor a denial by

BellSouth. Moreover, BellSouth denies that any FCC rule precludes BellSouth from using one-way trunking for its own traffic if BellSouth so chooses.

63. BellSouth admits that two-way trunks may be more efficient than one-way trunks under certain circumstances. Accordingly, BellSouth offers two-way trunk interconnection in a variety of configurations to accommodate CLEC interconnection requests. However, MCI's claim that two-way trunks are always more efficient and always require fewer trunk terminations than one-way trunks is inaccurate. For example, if the busy hour traffic patterns in both directions are relatively similar, then there will be few, if any, trunk termination savings obtained by using two-way trunks in lieu of one-way trunks. Similarly, if the traffic is predominately in one direction, there are little to no savings in two-way trunk terminations over one-way trunk terminations. BellSouth denies the remaining allegations in Paragraph 63.

64. BellSouth admits that it has repeatedly informed MCI that BellSouth is more than willing to use two-way trunks when it makes economic sense to do so. However, when there are no real efficiencies to be gained in using two-way trunks, BellSouth is entitled to use one-way trunking for its own traffic just as MCI is entitled to use one-way trunking for its own traffic and should not be required to provide inefficient trunk arrangements simply because MCI demands it. BellSouth denies the remaining allegations in Paragraph 64.

ISSUE 35

Issue: If the parties ever choose to implement a combination trunk group, should that trunk group be operated as a two-way trunk? (Attachment 4, Sections 2.1.1.3-2.1.1.3.2, 2.2.6-2.2.7; *Section 2.3.1.1*).

65. The FCC's rules speak for themselves. Therefore, any allegations in Paragraph 65 regarding the FCC's rule require neither an admission nor a denial by BellSouth. Moreover,

BellSouth denies that any FCC rule precludes BellSouth from using one-way trunking for its own traffic if BellSouth so chooses.

ISSUE 36

Issue: Does MCIIm, as the requesting carrier, have the right pursuant to the Act, the FCC's Local Competition Order, and FCC regulations, to designate the network point (or points) of interconnection at any technically feasible point? (Attachment 4, Sections 1.3 and 1.3.1, Attachment 5, section 2.1.4).

66. The 1996 Act and the FCC's *First Report and Order* speak for themselves. Therefore, any allegations in Paragraph 65 regarding the statute or order require neither an admission nor a denial by BellSouth. Moreover, BellSouth denies that any statute or FCC order requires BellSouth to deliver BellSouth originated traffic to a point of interconnection designated by MCIIm. To do so would allow MCIIm, not BellSouth, to control BellSouth's network costs and reciprocal compensation expenses.

67. BellSouth admits that MCIIm can choose its point of interconnection for the delivery of MCIIm's originated traffic. However, nothing in paragraph 172 of the FCC's *First Report and Order*, which is cited by MCIIm, gives MCIIm "the right to designate the point of interconnection associated with traffic that originates on BellSouth's network, which MCIIm must terminate." On the contrary, paragraph 172 of the *First Report and Order* clearly states that: "The interconnection obligation of section 251(c)(2), discussed in this section, allows competing carriers to choose the most efficient points at which to exchange traffic with incumbent LECs, *thereby lowering the competing carriers' costs of, among other things, transport and termination of traffic.*" (Emphasis added) Because a CLEC's interconnection transport and termination costs only apply to traffic originated by that CLEC which is terminated by another carrier, the FCC was only addressing the CLEC's ability to choose its point of interconnection for the CLEC's originating traffic. In this manner, the CLEC can control its

internal network costs, and the transport and termination charges it pays to the terminating company. The CLEC incurs no transport and termination charges for the other company's originating traffic, but indeed, bills the originating company for terminating the originating company's traffic. BellSouth denies the remaining allegations in Paragraph 67.

68. BellSouth admits that it could designate its end offices as the point of interconnection for its originating traffic to which MCIIm would have to build or purchase facilities and affirmatively asserts that nothing in the 1996 Act nor the FCC's orders or rules precludes BellSouth from so doing. However, BellSouth is willing to commit to a single point of interconnection in each local calling area, which would alleviate MCIIm's unfounded concerns about BellSouth imposing "an inefficient network architecture on MCIIm" or forcing "it to bear unnecessary transport costs." BellSouth denies the remaining allegations in Paragraph 68.

ISSUE 37

Issue: Is BellSouth required to interconnect via two-way trunks upon MCIIm's request? Should BellSouth be prohibited from provisioning trunks that interconnect with MCIIm's network in the same manner as BellSouth provisions trunks to itself? (Attachment 4, Sections 2.2.6-2.2.7).

69. BellSouth admits that MCIIm has proposed language which purports to prohibit BellSouth from fragmenting trunk groups by traffic type. MCIIm's Attachment 4, Section 2.2.7. In other words, under MCIIm's proposal, BellSouth would be prohibited from having separate trunks that carry local and toll traffic, even though BellSouth maintains such separate trunk groups for itself. BellSouth should be allowed to provision its trunks in any technically feasible and nondiscriminatory manner without regard to the arbitrary conditions that MCIIm seeks to impose. BellSouth denies the remaining allegations in Paragraph 69.

ISSUE 38

Issue: Should MCIIm be entitled to interconnect at a BellSouth remote end office? (Attachment 4, Section 2.2.6).

70. BellSouth admits that it is technically feasible for MCIIm to interconnect its network to remote switching equipment in BellSouth's end office. BellSouth also admits that it is willing to permit MCIIm to interconnect to such remote switching equipment, provided MCIIm agrees to recognize the limitations inherent in such an interconnection arrangement including, for example, but not limited to, the absence of switching intelligence in the remote switch. BellSouth denies the remaining allegations in Paragraph 70.

ISSUE 39

Issue: How should Wireless Type 1 and Type 2A traffic be treated under the Interconnection Agreement? (Attachment 4, Section 9.7.2).

71. BellSouth admits that Wireless Type 1 traffic should be treated as if it were land-line traffic originated by either BellSouth or the CLEC and that, for Wireless Type 2A traffic, this arrangement will continue until the involved parties have the necessary Meet Point Billing system capabilities. Because it appears that the parties are in agreement, it is not clear why MCIIm is seeking arbitration on this issue.

ISSUE 40

Issue: What is the appropriate definition of internet protocol (IP) and how should outbound voice calls over IP telephony be treated for purposes of reciprocal compensation? (Attachment 4, Section 9.10 [sic]; *Section 9.3.3*).

72. The Report to Congress by the Federal-State Joint Board on Universal Service speaks for itself. Therefore any allegations in Paragraph 72 regarding the content of that Report require neither an admission nor a denial by BellSouth. Moreover, BellSouth denies that the

FCC has exempted long distance calls using Internet protocol from the payment of access charges. BellSouth denies the remaining allegations in Paragraph 72.

73. BellSouth does not dispute that calls that originate and terminate in the local calling area are properly termed local calls, regardless of the technology used. However, long distance calls made using Internet protocol should be subject to the payment of access charges. BellSouth denies the remaining allegations in Paragraph 73.

74. The 1996 Act speaks for itself. Therefore, any allegations in Paragraph 74 regarding the content of that statute require neither an admission nor a denial by BellSouth. However, BellSouth admits that, to the extent technically feasible, reciprocal compensation should apply to local telecommunications provided via IP telephony. BellSouth also admits that long distance calls, irrespective of the technology used to transport them, constitute switched access traffic and not local traffic for which access charges should apply. BellSouth denies the remaining allegations in Paragraph 74.

75. The TRA orders referenced in Paragraph 75 of the Petition speak for themselves. Therefore, any allegations in Paragraph 75 regarding the content of those orders require neither an admission nor a denial by BellSouth. Moreover, BellSouth denies that either the TRA or the FCC has held that long distance calls using Internet protocol should be exempt from the payment of access charges.

76. BellSouth admits the allegations in Paragraph 76.

ISSUE 41

Issue: Should the Interconnection Agreement contain language which, while purporting to address the issue of false traffic generated for the purpose of obtaining increased reciprocal compensation, actually exclude traffic to Internet Service Providers from reciprocal compensation obligations? (Attachment 4, Section 9.3.1).

77. BellSouth admits that it has proposed language that would specifically prohibit the creation of false traffic for the purpose of creating reciprocal compensation by either party. The TRA orders referred to in Paragraph 77 speak for themselves. Therefore, any allegations regarding those orders require neither an admission nor a denial by BellSouth. BellSouth denies the remaining allegations in Paragraph 77.

ISSUE 42

Issue: Should MCI be permitted to offer tandem services for switched access traffic? (Attachment 4, Section 2.3.8).

78. BellSouth admits that it has proposed language making clear that MCI will not “deliver switched access traffic to BellSouth for termination except over MCI ordered switched access trunks and facilities.” BellSouth also admits that such language is necessary to ensure that BellSouth properly bills and collects access charges and to prohibit MCI from disguising switched access traffic as local traffic by routing switched access traffic over local interconnection trunks such as has occurred in the past in Tennessee where access traffic was routed by MCI through another telephone company’s local interconnection trunks was presented as local traffic. BellSouth denies the remaining allegations in Paragraph 78.

ISSUE 43

Issue: When the ANI, CPN and BTN are not available, should the parties be required to include in the information transmitted with the call the NPA/NXX's associated with the trunk group or the telephone number associated with the trunk group? (Attachment 4, Section 9.2.2).

79. BellSouth is willing to provide the NPA/NXX of the number assigned to the trunk group, which is the only significant information necessary for MCI to bill other carriers using the records provided by BellSouth. Moreover, if a carrier provides a full telephone number to

associate with the trunk group, BellSouth is willing to provide that information to MCI as well.

BellSouth denies the remaining allegations in Paragraph 79.

ISSUE 44

Issue: Should BellSouth be required to provide an inclusive list of NXXs associated with each local calling area, with updates as requested by MCIIm? (Attachment 4, Section 2.2.8).

80. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 45

Issue: How should third party transit switched access traffic be routed and billed by the parties? (Attachment 4, Sections 2.3.1, 9.5.2 and 9.5.3).

81. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

82. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 46

Issue: Should BellSouth be permitted to impose restrictions on MCIIm's ability to assign NPA/NXX's codes to MCIIm's end-users? (Attachment 4, Section 9.4.6; *Section 9.10*).

83. BellSouth admits that it has proposed that MCIIm use its NPA/NXXs in such a way that BellSouth can distinguish local traffic from intraLATA toll traffic and interLATA toll traffic for BellSouth originated calls. When a CLEC assigns numbers having the same NPA/NXX to customers both inside and outside the BellSouth local area where the NPA/NXX is homed, BellSouth cannot determine whether BellSouth's end user is making a local or a long distance call when BellSouth's end user calls the CLEC's end user. BellSouth denies the remaining allegations in Paragraph 83.

84. BellSouth admits that the general consensus of the telecommunications industry is that, if a local exchange carrier assigns an NPA/NXX to an established rate center, numbers

assigned out of that NPA/NXX will be assigned to end users physically located in that rate center. However, because the jurisdiction of a call is not based upon the dialed digits, but the end-to-end points of the call, the industry assumes that a call is delivered to an end user in the rate center to which the end user's telephone number is assigned. BellSouth denies the remaining allegations in Paragraph 84.

85. BellSouth denies the allegations in Paragraph 85.

86. BellSouth denies the allegations in Paragraph 86.

87. BellSouth admits that with its FX service an originating end user believes that he or she is reaching a location local to him or her when in fact the terminating location is long distance. BellSouth also admits that, because the call to the FX number appears local due to the V&H coordinates being the same for the calling and called NPA/NXXs, the originating end user is not billed for a toll call. BellSouth denies the remaining allegations in Paragraph 87.

88. BellSouth denies the allegations in Paragraph 88.

89. BellSouth denies the allegations in Paragraph 89.

ISSUE 47

Issue: Should reciprocal compensation payments be made for calls bound to ISPs? (Attachment 4, Section 9.3.2).

90. BellSouth admits that its customers call Internet Service Providers ("ISPs") and that BellSouth delivers those calls to the local exchange carrier serving the ISP, which in turn delivers the call to the ISP. BellSouth also admits that the local exchange carrier serving the ISP incurs costs in connection with ISP-bound traffic. However, BellSouth affirmatively asserts that local exchange carriers should recover such costs from the ISP, and not from another local exchange carrier through the payment of reciprocal compensation. BellSouth denies the remaining allegations in Paragraph 90.

91. BellSouth denies the allegations in Paragraph 91.

92. The state commission decisions referenced in Paragraph 92 speak for themselves. Therefore, any allegations regarding those decisions require neither an admission nor a denial by BellSouth. However, BellSouth affirmatively asserts that even those state commissions in BellSouth's region which have issued written orders have required the payment of reciprocal compensation for ISP-bound traffic in arbitrations under Section 252 of the 1996 Act on an interim basis with a retroactive true-up once the FCC adopts its inter-carrier compensation rules.

93. The FCC's Declaratory Ruling and the United States Court of Appeals, D.C. Circuit, decision speak for themselves. Therefore, any allegations in Paragraph 93 regarding the content of the declaratory ruling or the decision require neither an admission nor a denial by BellSouth. BellSouth admits that the FCC, in dicta, identified certain factors that a state commission "may" consider in determining whether "parties entering into interconnection agreements may reasonably have agreed" to pay reciprocal compensation for ISP-bound traffic. Declaratory Ruling and Notice of Proposed Rulemaking, *In re: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket 96-98, ¶ 24 (Feb. 26, 1999). However, BellSouth denies that such factors have any bearing on the issue here, as BellSouth has not agreed to pay MCI's reciprocal compensation for ISP-bound traffic. Because the FCC has definitively determined that ISP-bound traffic is interstate in nature, such traffic should not be treated as local for purposes of reciprocal compensation under the parties' new interconnection agreement. BellSouth denies the remaining allegations in Paragraph 93.

94. The FCC's Declaratory Ruling speaks for itself. Therefore, any allegations in Paragraph 94 regarding the content of that ruling require neither an admission nor a denial by BellSouth. BellSouth denies the remaining allegations in Paragraph 94.

ISSUE 48

Issue: How should third party transit switched access traffic be routed and billed by the parties? (Attachment 4, Section 9.7.1; *Sections 9.7.2, 10.7.1.1, 10.7.2*).

95. BellSouth does not agree that this issue “has been consolidated with Issue 45” as MCIIm contends. Although the wording of this issue is identical to the wording of Issue 45, which has been resolved, this issue (Issue 48) pertains to a different matter, the routing and billing of third party local transit traffic by the parties. BellSouth is willing to perform a transit network function to route third party local traffic to MCIIm so that MCIIm does not have to establish direct interconnection with every local exchange carrier, which will ease recording and billing requirements. Moreover, while BellSouth is willing to route local transit traffic, MCIIm wants BellSouth to pay reciprocal compensation for such traffic terminating to MCIIm, which BellSouth is not obligated to do. MCIIm should seek such compensation from the originating carrier, which in the case of third party local traffic is not BellSouth.

ISSUE 49

Issue: Should the designation of Local Traffic be dependent on the type of switching technology used, including packet switching? (Attachment 4, Section 10.3.3 [sic], BST Section 9.3.3).

96. BellSouth admits that the technology used to transport a call is not relevant in determining whether the call is designated as local or long distance. However, there are inherent complexities associated with any inter-carrier compensation mechanism for packet switched local traffic, since there are no minutes of use to record for packet switched traffic. Therefore, the traditional per minute of use rates that apply to the payment of reciprocal compensation for circuit switched local traffic cannot be applied to local packet switched traffic, and the parties must negotiate a different compensation mechanism for such traffic. BellSouth denies the remaining allegations in Paragraph 96.

97. The FCC order referenced in Paragraph 97 speaks for itself. Therefore, any allegations regarding the content of that order require neither an admission nor a denial by BellSouth. Moreover, BellSouth denies that the FCC has held that the traditional per minute of use rates that apply to the payment of reciprocal compensation for circuit switched local traffic should apply to local packet switched traffic.

98. BellSouth denies that it is seeking to “treat[] all traffic that utilizes packet switching as long-distance” as MCIIm contends. Rather, BellSouth is seeking a compensation mechanism for local packet switched traffic which recognizes that the traditional per minute of use rates that apply to the payment of reciprocal compensation for circuit switched local traffic cannot be applied to local packet switched traffic because there are no minutes of use to record for packet switched traffic. BellSouth denies the remaining allegations in Paragraph 98.

ISSUE 50

Issue: Whether MCIIm’s compensation under the Agreement for functions comparable to BellSouth’s should be constrained by the type of transport and switching it provides, rather than the equivalence of function provided? (Attachment 4, Sections 1.4.2.1-10.4.2.3 (BST 9.4 - all subsections)).

99. BellSouth denies the allegations in Paragraph 99. This issue is related to and partially subsumed by Issue 51. BellSouth is not trying to “constrain” or inhibit MCIIm’s ability to offer any telecommunications services. But, BellSouth is attempting to include precise language in the parties’ agreement to address this issue. The language proposed by MCIIm is too vague to be understood and its proposed methodology for determining common transport rates is inconsistent with the methodology adopted by every other state commission in BellSouth’s region which has addressed the issue. The TRA should adopt the language proposed by BellSouth.

100. BellSouth denies the allegations in Paragraph 100.

101. The FCC rule and order speak for themselves. Therefore, any allegations in Paragraph 101 regarding that statute require neither an admission nor a denial by BellSouth.

ISSUE 51

Issue: Is BellSouth required to pay tandem charges when MCI terminates BellSouth local traffic using a switch serving an area comparable to a BellSouth tandem? (Attachment 4, Section 10.4.2).

102. The 1996 Act speaks for itself. Therefore, the allegations in Paragraph 102 regarding the content of that statute require neither an admission nor a denial by BellSouth.

103. The FCC rules referenced in Paragraph 103 speak for themselves. Therefore, any allegations regarding the content of those rules require neither an admission nor a denial by BellSouth.

104. BellSouth denies the allegations in Paragraph 104. Notwithstanding MCI's allegations to the contrary, the FCC directed state commissions to consider two factors in determining whether a CLEC should receive the same reciprocal compensation rate as would be the case if traffic were transported and terminated via the incumbent's tandem switch. First, the FCC directed state commissions to "consider whether new technologies (e.g., fiber ring or wireless network) *performed functions similar to those performed by an incumbent LEC's tandem switch* and thus whether some or all calls terminating on the new entrant's network should be priced the same as the sum of transport and termination via the incumbent LEC's tandem switch." *First Report and Order* ¶ 1090 (emphasis added). Second, the FCC instructed that, where the new carrier's switch serves a geographic area comparable to that served by the incumbent local exchange carrier's tandem switch, the appropriate proxy for the new carrier's costs is the incumbent's tandem interconnection rate. *Id.*; see also 47 CFR § 51.711(a)(3).

Because MCI's local switch does not perform the same functions or serve the same geographic area as BellSouth's tandem switch, MCI is not entitled to reciprocal compensation at the tandem interconnection rate.

ISSUE 52

Issue: Should BellSouth be required to pay access charges to MCI for non-presubscribed intraLATA toll calls handled by BellSouth? (Attachment 4, 10.5.1.2 [sic]; *Section 9.2.2*).

105. This issue involves the payment of access charges for intraLATA calls made by non-BellSouth customers that are handled by BellSouth. BellSouth should not be required to pay MCI access charges under such circumstances. Instead, BellSouth proposes that, for non-presubscribed intraLATA traffic, the originating LEC should compensate the terminating LEC at the intrastate switched access rate levels for the services provided. This proposal is based upon the rationale that the originating LEC collects its intraLATA toll rates from its originating end user, and then compensates the terminating LEC for services provided in terminating the call. BellSouth denies the remaining allegations in Paragraph 105.

ISSUE 53

Issue: Should call jurisdiction be based on the calling party number or on jurisdictional factors that represent averages? (Attachment 4, Section 10.6.1; *Section 9.6.1*).

106. BellSouth admits that it is in the best interests of BellSouth, MCI, and their end-user customers for carriers to be accurate in rendering bills. However, use of the "calling party number," even if available, does not make billing any more accurate because neither MCI nor BellSouth can determine in every instance from the "calling party number" whether the call is a local call or an intraLATA toll call. The use of jurisdictional factors is well accepted in the telecommunications industry as an accurate means by which carriers bill one another. BellSouth denies the remaining allegations in Paragraph 106.

D. Collocation Issues

ISSUE 54

Issue: Should security charges be assessed for collocation in offices with existing card key systems and how should security costs be allocated in central offices where new card key systems are being installed? (Attachment 5, Attachment 1, Appendix 1).

107. BellSouth denies the allegations in Paragraph 107. BellSouth either has incurred or will incur the expense of installing a security card key system, and those costs should be borne by all parties making use of that system, including BellSouth.

108. BellSouth admits that the costs of a security card key system should be allocated among all those who benefit from such a system. Consistent with that objective and in order to recover the costs of implementing security measures in central offices in a reasonable manner, BellSouth proposes that the costs of a security card key system be allocated among all parties in the central office, which includes BellSouth and a projected number of collocators. This method is straightforward, easy to administer and treats all occupants of the central office on a nondiscriminatory basis. BellSouth denies the remaining allegations in Paragraph 108.

109. MCIm's proposal that BellSouth should allocate security costs based on the square footage occupied by BellSouth and each collocator is unreasonable and unworkable. When a collocator obtains access to a central office, it obtains access to the building, not just its individual collocation arrangement. Furthermore, under MCIm's approach, the costs would constantly have to be reassessed every time there is a new collocator, a change in collocation arrangement square footage, or a change in the amount of space in BellSouth's central offices. In addition, allocating security costs on the basis of square footage ignores that certain space in any central office cannot be occupied by either BellSouth or by collocators for the placement of telecommunications equipment, and considering such space as "occupied by BellSouth" would

only serve to reduce artificially security costs that should be borne by CLECs. BellSouth denies the remaining allegations in Paragraph 109.

110. The FCC order referenced in Paragraph 110 speak for itself. Therefore, any allegations regarding the content of that order require neither an admission nor a denial by BellSouth. However, BellSouth denies that the FCC order cited by MCIIm requires that the costs of a security card key system be allocated on the basis of square footage.

111. BellSouth admits that its proposal to allocate the costs of a security card key system equally among all carriers making use of that system would result in carriers paying “the same charge regardless of the amount of space occupied.” However, the benefit of a carrier being able to enter a BellSouth central office by means of a security card key system is not a function of how much space the carrier occupies in that central office, as MCIIm’s proposal presupposes. BellSouth denies the remaining allegations in Paragraph 111.

ISSUE 55

Issue: Should BellSouth be required to provide a response, including a firm cost quote, within 15 days of receiving a collocation application? (Attachment 5, Section 2.1.1.3).

112. BellSouth does not oppose the establishment of a firm interval within which BellSouth must advise a CLEC requesting collocation whether there is available space. BellSouth proposes that this space availability response interval be ten business days from BellSouth’s receipt of the collocation application. BellSouth also will provide information as to whether the application is complete or accurate within ten business days of receipt of the application. However, MCIIm’s proposal that BellSouth must within fifteen days “supply a complete response to a collocation application,” including a firm cost quote, is unreasonable.

ISSUE 56

Issue: Should BellSouth be required to provide DC power to adjacent collocation space? (Attachment 5, section 3.4).

113. The FCC rules referenced in Paragraph 113 speak for themselves. Therefore, any allegations regarding those rules require neither an admission nor denial by BellSouth. However, BellSouth denies that those rules require BellSouth to provide DC power to an adjacent collocation arrangement “if it provides DC power to the equipment in the central office.” MCI’s proposal that BellSouth run DC power to an adjacent collocation arrangement runs afoul of the National Electrical Safety Code, because the cabling used to house DC power is not rated for outside use. BellSouth is willing to provide AC power to an adjacent arrangement if the local authority having jurisdiction permits. And, contrary to MCI’s statements, BellSouth’s proposal for serving adjacent arrangements with AC power is consistent with the manner in which BellSouth would provide power to itself using an adjacent arrangement. BellSouth denies the remaining allegations in Paragraph 113 of the Petition.

114. The FCC Order and rules and the Texas Public Utilities Commission order referenced in Paragraph 114 speak for themselves. Therefore, any allegations regarding the content of those orders or rules require neither an admission nor a denial by BellSouth. Moreover, the manner in which BellSouth proposes to provide power to an adjacent arrangement complies fully with BellSouth’s obligation to provide nondiscriminatory collocation arrangements.

ISSUE 57

Issue: Should the Interconnection Agreement include terms and conditions regarding virtual collocation? (Attachment 5, Section 6).

115. The 1996 Act speaks for itself. Therefore, any allegations in Paragraph 115 regarding the content of that statute require neither an admission nor a denial by BellSouth. Moreover, BellSouth's position is not that the parties should not negotiate the terms and conditions of virtual collocation or that virtual collocation should not be included in the parties' Interconnection Agreement. BellSouth is willing to negotiate virtual collocation issues and has proposed language for inclusion in the parties' Interconnection Agreement. BellSouth denies the remaining allegations in Paragraph 115.

116. The 1996 Act and the FCC order referenced in Paragraph 116 speak for themselves. Therefore, any allegations regarding the content of that statute or order require neither an admission nor a denial by BellSouth.

117. BellSouth denies the allegations in Paragraph 117.

ISSUE 58

Issue: Should BellSouth be required to respond to a request for copies of all environmental investigations pertaining to collocation space within three days? (Attachment 5, Section 7.4.1).

118. BellSouth does not object to providing a response to a request for copies of environmental investigations relating to collocation space within a reasonable time period. The three day period proposed by MCI is simply not reasonable. BellSouth has agreed to provide a response within ten days.

ISSUE 59

Issue: Should collocation space be considered complete before BellSouth has provided MCI with cable facility assignments ("CFAs")? (Attachment 5, Section 7.15.2).

119. BellSouth's position is that collocation space is complete once all work done by BellSouth or BellSouth's certified vendors is complete, at which point BellSouth will render a final bill to the CLEC. After acceptance of the collocation space, MCI proceeds with the

installation of its equipment, a matter under MCI's control rather than under BellSouth's control. Part of MCI's responsibilities is the installation of its cables terminating on BellSouth frames. MCI contends that BellSouth should provide the cable facility assignments (CFAs) before the space is completed. BellSouth cannot provide CFAs until after MCI informs BellSouth of the frame locations and designations of MCI's cables. Thus, MCI's proposal confuses any measure of BellSouth's performance in provisioning collocation arrangements and delays BellSouth's ability to bill MCI, because BellSouth would be unable to designate a collocation arrangement as complete until MCI had finished its own work, completion of which is not under BellSouth's control.

ISSUE 60

Issue: Should BellSouth provide MCI with certain collocation information at the joint planning meeting? (Attachment 5, sections 7.17.2, 7.17.4 and 7.17.10).

120. To the extent the information is available, BellSouth is willing to provide MCI with the exact cable location termination requirements (i.e., relay rack, bay/panel, jack location), which is the "key information" MCI reasonably requires to begin its design plans for collocation space. If this information is not available at the joint planning meeting, BellSouth will provide such information within thirty (30) days thereafter. However, much of the information MCI seeks is either not readily available or is not required for MCI to begin its work. Furthermore, the language that MCI has proposed goes well beyond requiring BellSouth to provide "certain collocation information." For example, Section 7.17.10 of Attachment 5 purports to give MCI the right to establish the demarcation point at any technically feasible point within the central office, which has nothing to do with BellSouth providing MCI "certain collocation information at the joint planning meeting." BellSouth denies the remaining allegations in Paragraph 120.

ISSUE 61

Issue: What rates, terms and conditions should govern the provision of DC power to MCI's collocation space? (Attachment 5, Section 7.18.6).

121. BellSouth does not dispute that the rate for DC power should be calculated on a per amp basis. The rates for DC power should be those established by the TRA in Docket 97-01262. In addition, however, the issue raised by MCI related to DC power is not simply the rate. Rather, MCI and BellSouth disagree on whether that per amp charge should be applied to the fused capacity BellSouth is required to provide to MCI or if it should be applied only to the capacity used by MCI. BellSouth sizes the power plant capacity that serves collocated equipment based on the power requirement of the equipment specified in MCI's collocation application. For example, electrical engineering standards require that -48V DC power distribution cables and their associated protection device (breakers or fuses) be sized based on the anticipated peak drain of the served equipment. These standards require that the breakers and the fuse positions for power feeders must exceed the actual drain (or expected consumption) by 25% for breakers and 50% for fuse positions. The per amp power rate utilized by BellSouth was computed to take into account the above protection device sizing requirements. In other words, billing for power delivered by a power distribution circuit protected by a 60 amp fuse is factored based on BellSouth's costs to provide 40 amps of -48V DC power, which is the expected maximum power delivered to the collocated equipment. BellSouth denies the remaining allegations in Paragraph 121.

ISSUE 62

Issue: Should BellSouth be required to provision caged collocation space (including provision of the cage itself) within 90 days and virtual and cageless collocation within 45 days? (Attachment 5, section 7.19).

122. BellSouth does not oppose the establishment of a firm interval within which BellSouth must provision collocation space. BellSouth proposes that the collocation provisioning intervals be no greater than 90 business days for caged and cageless collocation under ordinary conditions and 50 business days for virtual collocation under ordinary conditions. Such an interval is reasonable and consistent with historical experience, which cannot be said about MCI's proposal. BellSouth denies the remaining allegations in Paragraph 122.

ISSUE 63

Issue: Is MCI entitled to use any technically feasible entrance cable, including copper facilities? (Attachment 5, section 7.21.1).

123. The FCC rule referenced in Paragraph 123 speaks for itself. Therefore, any allegations regarding the content of this rule require neither an admission nor denial by BellSouth.

124. BellSouth admits that copper cable currently enters BellSouth central offices, which is associated with BellSouth loop distribution facilities. However, entrance facilities are considered to be interconnection trunks, and all of BellSouth's interconnection trunks entering BellSouth central offices are optical fiber facilities. Neither MCI nor any other CLEC should be permitted to place copper entrance facilities since this would accelerate the exhaust of entrance facilities at BellSouth's central offices at an unacceptable rate. The only exception is with adjacent space collocation arrangements as defined by the FCC in 47 CFR § 51.323(k)(3). BellSouth denies the remaining allegations in Paragraph 124.

125. BellSouth denies the allegations in Paragraph 125.

ISSUE 64

Issue: Is MCI entitled to verify BellSouth's assertion, when made, that dual entrance facilities are not available? Should BellSouth maintain a waiting list for entrance

space and notify MCIm when space becomes available? (Attachment 5, section 7.21.2).

126. The FCC rules and order referenced in Paragraph 126 speak for themselves. Therefore, any allegations regarding the content of these rules or order require neither an admission nor denial by BellSouth. However, under the FCC rules BellSouth is required to provide at least two interconnection points at a premises “at which there are at least two entry points for the incumbent LEC’s cable facilities, and at which space is available for new facilities in at least two of those entry points.” 47 C.F.R. § 51.323(d)(2). The right to tour a premises referenced in MCIm’s Petition only applies when an incumbent LEC “contends space for physical collocation is not available” in a given central office. BellSouth is not denying physical collocation when BellSouth does not have dual entrance facilities available. BellSouth provides information as to whether there is more than one entrance point for BellSouth’s cable facilities. In the event there is only one entrance point, MCIm can visually verify that another entrance point does not exist, which does not require a formal tour. In the event that dual entrance points exist but space is not available, BellSouth will provide documentation, upon request, and at MCIm’s expense, so that MCIm can verify that no space is available for new facilities.

127. Should the fact that there is no entrance space available be the reason for denying a request for collocation, BellSouth will include that office on its space exhaust list as required. However, BellSouth should not be required to incur the time and expense of maintaining a waiting list simply because dual entrance facilities may not be available. BellSouth denies the remaining allegations in Paragraph 127 of the Petition.

ISSUE 65

Issue: What information must BellSouth provide to MCIm regarding vendor certification? (Attachment 5, Sections 7.22.1).

128. Under 47 C.F.R. § 51.323(j), BellSouth is permitted to approve vendors hired by MCI to construct its collocation space, provided that such approval is based on the same criteria that BellSouth uses in approving vendors for its own purposes. BellSouth has provided MCI with precisely the same information that BellSouth provides its vendors concerning the vendor certification process. But, the real issue here is not the sufficiency of the information BellSouth is willing to provide. MCI believes that it should be permitted to conduct the certification of itself and its vendors using whatever criteria BellSouth uses. BellSouth maintains that only it has the right to approve or reject vendors. The Staff of the Florida Public Service Commission recently addressed this issue and agreed with BellSouth. *See* Staff Recommendation, FPSC Docket No. 981834-TP, 99-0321-TP (Apr. 6, 2000), at p. 106. The FPSC voted to adopt the staff recommendation, although a formal order has not yet been released.

ISSUE 66

Issue: What industry guidelines or practices should govern collocation? (Attachment 5, Section 9).

129. BellSouth is willing to comply with generally accepted industry practices in the provision of physical collocation to the extent it has control over the subject matter thereof. However, MCI wants BellSouth to comply with standards that BellSouth has been unable to verify even exist (e.g., NEBS Standard TR-EOP-000063 or TR-NWT-001275). Furthermore, while BellSouth strives to comply with all applicable standards, BellSouth does not have control over the acts of CLECs collocated within its central offices and should not be expected to meet any standards to the extent BellSouth does not have such control. For example, BellSouth relies on the CLEC to identify accurately in its collocation application the equipment it plans to install and specifications related thereto. If the CLEC does not install equipment in accordance with the

information provided in its application, then BellSouth cannot be required to comply with any standards that may be violated as a result thereof.

E. Rights-of-Way Issues

ISSUE 67

Issue: When MCIIm has a license to use BellSouth rights-of-way, and BellSouth wishes to convey the property to a third party, should BellSouth be required to convey the property subject to MCIIm's license? (Attachment 6, Section 2.5).

130. BellSouth admits that MCIIm has proposed language that would purport to control the disposition of BellSouth's property. That BellSouth has granted MCIIm a license to make use of BellSouth's poles, ducts or conduit does not authorize MCIIm to restrict BellSouth's sale or conveyance of BellSouth's property. BellSouth denies the remaining allegations in Paragraph 130.

ISSUE 68

Issue: Should BellSouth require that payments for make-ready work be made in advance? (Attachment 6, Sections 4.7.3 and 5.6.1).

131. BellSouth admits that it has proposed language that would obligate MCIIm to pay for make ready work in advance. Moreover, BellSouth has proposed to schedule make-ready work for completion in a nondiscriminatory manner on a first come, first served basis at parity with BellSouth. BellSouth has also proposed to begin the process of scheduling make-ready work within twenty days of receipt of payment from MCIIm, unless the period is extended for good cause. BellSouth affirmatively asserts that its proposals are commercially reasonable and will ensure that all CLECs are treated in a nondiscriminatory manner with respect to such work. BellSouth denies the remaining allegations in Paragraph 131.

ISSUE 69

Issue: Within what time should MCIm be required to submit an actual placement drawings? (Attachment 6, Section 6.8).

132. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

F. LNP Issues

ISSUE 70

Issue: Should industry standards be followed concerning handling calls originating from an RCF ported number in a BellSouth end office and sent to the MCIm network? (Attachment 7, Section 2.4).

133. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 71

Issue: When BellSouth ports a number to MCIm via interim number portability (INP), should BellSouth be required to send CARE transaction 2231 to notify the appropriate interexchange carrier that access is now being provided by a new carrier? (Attachment 7, Section 2.6.3).

134. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 72

Issue: Should the parties be required to port reserved telephone numbers or suspended lines from one party to the other via LNP, and, in anticipation of porting from one part to the other may a party's subscriber serve additional telephone numbers and include them with the numbers that are subsequently ported?

135. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 73

Issue: Should BellSouth be required to split blocks of numbers (such as DID number blocks) in connection with LNP requests? (Attachment 7, Section 3.11).

136. BellSouth admits that it is willing to provide number portability to customers for any portion of an existing block of DID numbers without being required to port the entire block of numbers and will permit end users who port a portion of DID numbers to retain DID service on the remaining portion of numbers. However, MCI must pay appropriate charges when BellSouth ports a portion of a range of DID numbers. BellSouth denies the remaining allegations in Paragraph 136.

ISSUE 74

Issue: What procedures should be used for LNP and INP cutovers? (Attachment 7, Section 5.0 to 5.4.2).

137. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 75

Issue: For end users served by INP, should the end user or the end user's local carrier be responsible for paying the terminating carrier for collect calls, third party' billed calls or other operator assisted calls? (Attachment 7, Section 2.6.)

138. BellSouth admits that it has proposed language requiring the local carrier (such as MCI) serving the end user via Interim Number Portability to assume responsibility for collect calls, third party calls or other operator assisted calls incurred by the end user. BellSouth's proposal is reasonable because, unlike BellSouth, MCI has all of the information necessary to bill the end user and can put a block on such calls thereby avoid the problem entirely. BellSouth denies the remaining allegations in Paragraph 138.

G. Business Process Issues

ISSUE 76

Issue: Should BellSouth be required to develop the industry standard EDI pre-ordering interface (REDI) without charging MCIIm for the up-front development costs? (Attachment 8, Sections 1.4.5 [sic]-1.4.6.2, 2.1.1 [sic] and 2.3.3; *Sections 1.4.6-1.4.6.2, 2.1.1.1*)

139. BellSouth admits that it developed the TAG pre-ordering and ordering interfaces based on the CORBA industry standard and the industry standard EDI ordering interface in order to meet the needs of the CLEC community. Although the TAG pre-ordering interface can be integrated with either the TAG or the EDI ordering interfaces, in 1998, MCIIm asked that BellSouth develop Responsive EDI (REDI) pre-ordering and ordering interface. MCIIm is the only CLEC that has expressed interest in the REDI interface. In response to MCIIm's request, BellSouth began development of REDI in mid-1998. However, in January 1999, MCIIm made the decision to postpone further development of REDI. BellSouth is prepared to resume development of REDI at MCIIm's expense. BellSouth denies the remaining allegations in Paragraph 139.

140. BellSouth denies the allegations in Paragraph 140. BellSouth developed TAG in order to meet the needs of the CLEC community for an industry-standard pre-ordering interface that could be integrated with an industry-standard ordering interface. Other than MCIIm, no CLEC has expressed interest in the REDI interface, and neither BellSouth nor other CLECs should be expected to bear the costs an interface that is specific to the needs of only MCIIm.

ISSUE 77

Issue: Should BellSouth be required to provide one free seat each year for MCIIm to attend a training session on each of BellSouth's OSS systems? (Attachment 8, Section 1.7.2.2).

141. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 78

Issue: How should the agreed upon credit information be provided? (Attachment 8, Section 1.7.9.)

142. BellSouth denies that it has ever agreed to provide credit information to MCIm or any other CLEC in Tennessee through access to customer service records. If MCIm wants to perform credit checks on its customers, it must contract directly with companies that provide credit information rather than relying upon BellSouth to provide such information. BellSouth denies the remaining allegations in Paragraph 142.

ISSUE 79

Issue: Should BellSouth be required to provide all relevant data necessary to provide caller ID and Caller ID with Name to MCIm customers, and should BellSouth be required to use its best effort in working with MCIm to ensure that Caller ID and Caller ID with Name work for both local and 1+ calls for MCIm customers? (Attachment 8, Section 1.9.1.)

143. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 80

Issue: Should BellSouth be required to provide an application-to-application access service order process? (Attachment 8, Sections 2.1. 1.2, 2.2.3.)

144. BellSouth admits that MCIm wants BellSouth to develop an application-to-application pre-ordering interface for the Exchange Access Control and Tracking ("EXACT") electronic ordering system that is used for the processing of orders for access services and certain unbundled network elements, such as interconnection trunks and interoffice transport. BellSouth affirmatively asserts that MCIm seeks such a pre-ordering interface for EXACT for purposes of

its long distance operations and not to enhance "MCIm's ability to provide local service"

BellSouth denies the remaining allegations in Paragraph 144.

ISSUE 81

Issue: Should BellSouth provide a service inquiry process for local services? Attachment 8, section 2.2.1.)

145. BellSouth admits that a Service Inquiry is currently required for certain complex resale services (e.g., ISDN) and certain unbundled network elements (e.g., unbundled copper loops) and that currently the Service Inquiry is submitted with the local service request ("LSR") to determine if compatible facilities exist for the requested service and to ensure that those facilities are available. BellSouth affirmatively asserts that the Service Inquiry Process provided to MCIm is accomplished in substantially the same time and manner as for BellSouth's retail organization. BellSouth denies the remaining allegations in Paragraph 145.

146. BellSouth provides MCIm with a Service Inquiry process consistent with the 1996 Act and applicable FCC rules. BellSouth has developed a process that allows MCIm to obtain loop make-up information for a specific address before submitting an LSR. In addition, BellSouth is developing an interface that will allow electronic access to loop make-up information, which is expected to be available in July 2000. BellSouth denies the remaining allegations in Paragraph 146.

ISSUE 82

Issue: Should the parties be required to establish procedures and processes relating to the preordering interface and designate organizations and personnel that will support it? (Attachment 8, Section 2.4.)

147. BellSouth understands that this issue is resolved. If BellSouth is incorrect, BellSouth reserves the right to amend its response accordingly.

ISSUE 83

Issue: Should BellSouth be required to provide downloads of the RSAG, PSIMS and PIC databases without license agreements? (Attachment 8, Sections 2.5.)

148. This issue is not limited to RSAG or PSMIS, as MCIm apparently wants BellSouth to provide downloads of other databases as well, including BellSouth's CNAM and DA databases, at no cost to MCIm and with no limitations on MCIm's use of those databases. BellSouth's position is that it should not be required to provide downloads of any database, particularly those to which BellSouth provides electronic access. To the extent BellSouth provides a download of a database to MCIm, however, MCIm should pay any costs involved in obtaining the download and should execute an appropriate licensing agreement to protect BellSouth's interests. BellSouth admits that, before PSIMS information was available through TAG, it began providing MCIm on a monthly basis a flat file extraction of PSIMS, which includes PIC information, through BellSouth's CONNECT: Direct service; while there is no charge for this service, a licensing agreement is required in order to access CONNECT: Direct. BellSouth denies the remaining allegations in Paragraph 148.

149. MCIm wants to obtain downloads of BellSouth's databases without a license agreement so that it can provide such information to MCIm's affiliates. Because of the proprietary nature of some of the data, BellSouth must protect the use of this information. Furthermore, even to the extent the data itself is not proprietary, the formatting and storing of the data has value that BellSouth is entitled to protect. If MCIm intends to use the information in BellSouth's databases to provide local service in Tennessee, MCIm should have no objection to entering into a license agreement in order to protect BellSouth's interests. BellSouth denies the remaining allegations in Paragraph 149.

ISSUE 84

Issue: Should the parties be required to develop jointly an implementation plan for the ordering of local switching in combination with unbundled loops, including UNE-P? (Attachment 8, Section 3.)

150. BellSouth admits that MCIIm has proposed that the parties jointly develop an implementation plan for the unbundled network platform (UNE-P) – a proposal that includes stringent and costly testing requirements. BellSouth affirmatively asserts that this proposal is unnecessary in that BellSouth has already implemented UNE-P and has developed manual and electronic functionality for the pre-ordering and ordering of this service. Thus, there is no need to develop an implementation plan for a service that has already been implemented. BellSouth denies the remaining allegations in Paragraph 150.

ISSUE 85

Issue: What procedures should be used for PIC changes? (Attachment 8, Section 3.2.4.)

151. BellSouth admits that MCIIm has proposed to modify the procedures by which BellSouth handles changes in Presubscribed Interexchange Carrier (“PIC”) status, but denies that this issue is appropriate for arbitration. BellSouth also admits that it has proposed language making clear that it will notify the gaining interexchange carrier when a BellSouth local service customer or a CLEC local service customer served via BellSouth’s resold telecommunications service changes its toll PIC from one interexchange carrier to another. However, BellSouth is under no obligation to send notice of PIC changes on behalf of facilities-based CLECs. BellSouth denies the remaining allegations in Paragraph 151.

ISSUE 86

Issue: What are the applicable OSS charges when electronic interfaces are in place but they fail to work? (Attachment 8, section 3.1.4; *Attachment 1, Section 2.9.1*)

152. If MCIIm is required to submit an LSR manually due to the failure of BellSouth's electronic ordering systems and MCIIm submits an accurate LSR, then MCIIm will not be asked to pay "substantially higher manual OSS charges," but instead will be billed the TRA-approved electronic ordering charges. However, if BellSouth's electronic ordering systems are available (other than scheduled downtime), but MCIIm elects to submit an LSR manually, the manual ordering charges will apply. BellSouth denies the remaining allegations in Paragraph 152.

ISSUE 87

Issue: Should MCIIm be required to pay for expedited service when BellSouth provides service after the offered expedited date, but prior to BellSouth's standard interval? (Attachment 8, Section 3.2.7.2.)

153. BellSouth is under no obligation to expedite service for MCIIm or any other CLEC. If BellSouth does so, however, MCIIm should be required to pay expedite charges when BellSouth expedites a service request and completes the order before the standard interval expires, whether or not BellSouth meets the "offered expedited timeframe." BellSouth denies the remaining allegations in Paragraph 153.

ISSUE 88

Issue: For customer premises installations, should BellSouth be required, at MCIIm's request, to cable from the demarcation point to the customer's equipment location in accordance with BellSouth's procedures and at parity with the provision of such services to BellSouth's customers? (Attachment 8, Section 3.2.8.3.)

154. Because inside wire on the customer's side of the demarcation point is not part of BellSouth's network, BellSouth is not obligated by the 1996 Act or the FCC rules to install inside wire for CLECs or end users. Nevertheless, BellSouth is willing to negotiate with any CLEC, including MCIIm, to provision inside wire on a nonregulated basis outside the scope of Section 251 and 252 of the 1996 Act, consistent with the methods and procedures that BellSouth

uses to install inside wire for its end user customers. BellSouth denies the remaining allegations in Paragraph 154.

ISSUE 89

Issue: When BellSouth rejects an MCIm order, should it be required to identify all errors in the order that would cause it to be rejected? (Attachment 8, Section 3.2.10.1.)

155. BellSouth admits that it has refused to accept MCIm's language. BellSouth also admits that it is not always possible to identify all errors before rejecting an LSR because the type and severity of the error may prevent BellSouth's systems from processing the LSR further once an error is discovered. BellSouth affirmatively asserts that MCIm can avoid the problem altogether by submitting complete and accurate LSRs to BellSouth. BellSouth denies the remaining allegations in Paragraph 155.

ISSUE 90

Issue: Should BellSouth be required to provide completion notices for manual orders? (Attachment 8, Section 3.2.15.)

156. BellSouth admits that a completion notice notifies MCIm when service has been provisioned to a MCIm customer. BellSouth affirmatively asserts that it electronically sends completion notices to MCIm on electronic orders placed by MCIm consistent with industry standards. BellSouth denies the remaining allegations in Paragraph 156.

157. BellSouth admits that it does not provide completion notices for manual orders and affirmatively asserts that there is no requirement that BellSouth do so. BellSouth provides a web-based method by which any CLEC, including MCIm, can determine the current status of its orders on a daily basis, including the date the manual order was completed. Accordingly, all of the information MCIm purportedly needs is readily available without BellSouth incurring the time and expense of faxing completion notices for manual orders. BellSouth denies the remaining allegations in Paragraph 157.

ISSUE 91

Issue: What intervals should apply to FOCs? Should BellSouth be required to check facilities before returning an FOC? (Attachment 8, section 3.4.1.2.)

158. BellSouth submits that the appropriate FOC intervals are those set forth in BellSouth Products & Services Interval Guide. The Interval Guide establishes the same FOC intervals for all CLECs, which ensures nondiscriminatory access. While MCI's proposed FOC intervals may "require a more prompt response," they are unreasonable and not based on any historical experience. Furthermore, the FOC is not a guarantee that facilities are available in every instance. BellSouth denies the remaining allegations in Paragraph 158.

ISSUE 92

Issue: Should the parties be required to follow the detailed guidelines proposed by MCI with respect to LNP orders? (Attachment 8, Section 3.6.)

159. BellSouth admits that it has proposed procedures for LNP orders which are specific and based on procedures agreed to in industry fora. BellSouth denies that its proposal "lack[s] the specificity necessary to ensure that LNP ordering process operates smoothly." Moreover, the procedures proposed by MCI conflict both with industry standards and with the manner in which the parties are currently handling LNP orders. BellSouth denies the remaining allegations in Paragraph 159.

ISSUE 93

Issue: By when must the parties bill for previously unbilled amounts? By when must they submit bills to one another? (Attachment 8, Sections 4.2.3.4.2, 4.2.3.4.4, 4.2.3.4.5 and 4.2.3.5)

160. BellSouth admits that MCI has proposed limits on the time periods when the parties may bill previously unbilled amounts. Because BellSouth relies on billing information from third parties at times to bill MCI, BellSouth should be permitted to bill charges to the full

extent allowed by law rather than the artificial time limits proposed by MCIIm. BellSouth denies the remaining allegations in Paragraph 160.

ISSUE 94

Issue: Should BellSouth be permitted to disconnect service to MCIIm for nonpayment? (Attachment 8, Section 4.2.18.)

161. BellSouth should be permitted to disconnect service to any customer, including MCIIm, that fails to pay billed charges which are not disputed. MCIIm should be treated in the same manner as other BellSouth customers, which is consistent with BellSouth's approved state and federal tariffs. BellSouth denies the remaining allegations in Paragraph 161.

ISSUE 95

Issue: Should BellSouth be required to provide MCIIm with billing records with all EMI standard fields? (Attachment 8, section 5)

162. BellSouth provides billing records with EMI fields in accordance with industry standards. While not every field contained in an EMI record may be provided, BellSouth provides every field that is required in order for MCIIm to bill its customers. That the language MCIIm proposes is contained in the parties' current interconnection agreement is irrelevant. BellSouth denies the remaining allegations in Paragraph 162.

ISSUE 96

Issue: Should BellSouth be required to give written notice when a central office conversion will take place before midnight or after 4 a.m.? (Attachment 8, Section 6.2.4.)

163. BellSouth admits that it has agreed to the timing of central office conversions absent notification to the contrary. BellSouth also admits that it has agreed to provide such notification to CLECs concerning central office conversions via web postings, which ensures that all CLECs are treated in a nondiscriminatory manner. BellSouth denies the remaining allegations in Paragraph 163.

ISSUE 97

Issue: Should BellSouth be required to provide MCIIm with notice of changes to NPA/NXXs linked to Public Safety Answering Points as soon as such changes occur? (Attachment 9, Section 1.1.6.)

164. BellSouth admits that MCIIm has proposed language that purports to obligate BellSouth to notify MCIIm immediately of any changes to the emergency public agency telephone numbers such as Public Safety Answering Point (PSAP) numbers linked to certain NPA/NXX codes. However, this information is proprietary customer information that BellSouth is not free to disclose without prior consent of the PSAP. BellSouth has agreed to provide MCIIm 911 and E-911 service in the same manner as BellSouth provides itself, which is all that is required. BellSouth denies the remaining allegations in Paragraph 164.

ISSUE 98

Issue: Should BellSouth be required to provide the 911 information and comply with 911 trunking requirements proposed by MCIIm. (Attachment 9, Section 1.3.6.2.2.)

165. BellSouth admits that MCIIm has proposed language obligating BellSouth to provide certain information and comply with certain requirements relating to 911 trunking. While BellSouth is willing to ensure that it adheres to industry standards in providing 911 information and trunking, the language proposed by MCIIm is inaccurate and should be rejected.

H. Ancillary Services Issues

ISSUE 99

Issue: Should BellSouth be required to provide MCIIm with 10 digit PSAP numbers? (Attachment 9, Section 1.3.17.)

166. The ten-digit “plain old telephone service” (“POTS”) number of each Public Safety Answering Point (“PSAP”) is a number that the PSAP requests through service order activity with the local exchange carrier providing local service to that PSAP (which may be a

carrier other than BellSouth). These numbers are sometimes referred to as the “admin line” that may ring on a desk as opposed to the 911 or E-911 operators, which a PSAP may provide to a local exchange carrier for use in overflow situations. BellSouth is not in a position to give out these numbers without the consent of the PSAP. MCI can and should obtain PSAP numbers from the local 911 or E-911 authorities directly as does BellSouth. That the language MCI proposes is contained in the parties’ current interconnection agreement is irrelevant. BellSouth denies the remaining allegations in Paragraph 166.

ISSUE 100

Issue: Should BellSouth operators be required to ask MCI customers for their carrier of choice when such customers request a rate quote or time and charges (Attachment 9, Section 2.2.2.12.)

167. BellSouth admits that its operators may respond to customer inquiries concerning rates and time charges. However, BellSouth's practice is to quote only BellSouth rates. Customers who inquire about long distance rates are advised they should seek that information from their long distance carrier. If that carrier is an Operator Transfer Service (OTS) customer, BellSouth will offer to transfer the caller to their carrier so that the rate can be quoted immediately. BellSouth denies the remaining allegations in Paragraph 167.

168. BellSouth admits that MCI has proposed language that would purport to require BellSouth’s operators to inquire as to the customer’s carrier of choice and forward the call to that carrier every time a customer requests a rate quote or time and charges. BellSouth also admits that it has refused to agree to this language, even though it is included in the parties’ current Interconnection Agreement. BellSouth denies the remaining allegations in Paragraph 168.

ISSUE 101

Issue: Is BellSouth required to provide shared transport in connection with the provision of custom branding? Is MCI required to purchase dedicated transport in

connection with the provision of custom and self branding? (Attachment 9, sections 2.2.4.3.3, 2.8.1, 2.8.1.1, 3.2.1.1, 3.2.4.3.3 and 3.5.2, 3.5.2.1.)

169. BellSouth admits that custom branding involves BellSouth branding calls to its operator services and directory assistance platform in the name of the CLEC whose customer is calling. BellSouth also admits that custom branding requires the use of dedicated trunk groups to the TOPS platform. However, because BellSouth provides Selective Call Routing in every instance, BellSouth affirmatively asserts that operator services and directory assistance are no longer unbundled network elements that BellSouth is required to provide under Section 251 of the 1996 Act. BellSouth denies the remaining allegations in Paragraph 169.

ISSUE 102

Issue: Should the parties provide “inward operator services” through local interconnection trunk groups using network routable access codes BellSouth establishes through the LERG? (Attachment 9, Section 2.6. 1-2.6.4.)

170. BellSouth admits that dedicated trunks are required for inward operator services between the CLEC, or its operator services provider, and the BellSouth operator services platform (“TOPS”). BellSouth also admits that MCIIm has proposed language that would have the effect of making operator tandem switches out of each and every BellSouth end office switch, something BellSouth clearly is not required to do. BellSouth denies the remaining allegations in Paragraph 170.

ISSUE 103

Issue: Should BellSouth operators be required to connect MCIIm subscribers dialing “0” and requesting directory assistance to any directory assistance platform designated by MCIIm? (Attachment 9, Section 2.7.2.)

171. BellSouth admits that MCIIm has proposed that BellSouth’s operators be required to connect MCIIm subscribers dialing “0” and requesting directory assistance to any directory platform designated by MCIIm. BellSouth also admits that it has refused to accept MCIIm’s

proposed language because BellSouth's operator services platform does not have the capability to connect to a CLEC's directory assistance platform and BellSouth is not required to enable them to do so. If MCIIm purchases unbundled local switching from BellSouth, MCIIm may request and be provided customized routing by which MCIIm can determine the operator services platform to which its customers' traffic will be sent. BellSouth denies the remaining allegations in Paragraph 171.

ISSUE 104

Issue: Should BellSouth be required to provide directory assistance data in the industry standard format proposed by MCIIm? (Attachment 9, Section 3.4.)

172. BellSouth denies that MCIIm has proposed an "industry standard format" for use when BellSouth provides directory assistance data and affirmatively asserts that no such industry standard format exists. If MCIIm wants directory assistance data formatted in a particular manner, MCIIm should bear the cost of conforming the data to the requested format. BellSouth denies the remaining allegations in Paragraph 172.

I. Performance Measurement Issues

ISSUE 105

Issue: What performance measurement system should BellSouth be required to provide? (Attachment 10.)

173. BellSouth admits that its Service Quality Measurements ("SQMs") provide a comprehensive set of performance measures that allow MCIIm and state commissions to determine that BellSouth is providing nondiscriminatory access. The SQMs have been developed in response to and consistent with decisions of several state commissions in BellSouth's region. BellSouth's SQMs should be incorporated into the Interconnection

Agreement, not MCI's proposed performance measures. BellSouth denies the remaining allegations in Paragraph 173.

174. BellSouth's SQMs should be incorporated into the Interconnection Agreement, not MCI's proposed performance measures. BellSouth denies the remaining allegations in Paragraph 174.

175. BellSouth admits that performance measures should be sufficiently disaggregated and affirmatively asserts that its SQMs comply with this requirement. BellSouth denies the remaining allegations in Paragraph 175.

176. BellSouth admits that performance measures should contain appropriate retail analogues and benchmarks and affirmatively asserts that its SQMs comply with these requirements. BellSouth denies the remaining allegations in Paragraph 176.

177. BellSouth admits that performance measures should contain a statistically valid method of comparing performance and affirmatively asserts that it has proposed such a method. BellSouth denies the remaining allegations in Paragraph 177.

178. BellSouth admits that it has proposed a comprehensive set of voluntary self-effectuating enforcement mechanisms that will provide adequate incentive for BellSouth to continue to comply with its obligations under the 1996 Act after BellSouth has been granted interLATA relief by the FCC. BellSouth denies the remaining allegations in Paragraph 178.

179. BellSouth admits that the parties disagree on a number of issues related to remedies, including the nature of the remedies available, the performance measures to which those remedies should apply, and when those remedies should become effective. BellSouth denies the remaining allegations in Paragraph 179.

180. BellSouth admits that its SQMs contain a provision for annual state commission audits of aggregate BellSouth and CLEC performance data to ensure that BellSouth is providing nondiscriminatory access. BellSouth also admits that MCIIm apparently believes that it (and every other CLEC) should have the right to trigger a performance measurement audit every six months, which BellSouth believes is unnecessary and unreasonable. BellSouth denies the remaining allegations in Paragraph 180.

181. BellSouth's SQMs should be incorporated into the Interconnection Agreement, not MCIIm's proposed performance measures. BellSouth denies the remaining allegations in Paragraph 181.

J. General Terms and Conditions

ISSUE 106

Issue: Should the Interconnection Agreement contain a provision establishing that BellSouth will provide Services in any combination requested by MCIIm? (Part A, section 1.2.)

182. BellSouth will make combinations of unbundled network elements available to MCIIm consistent with BellSouth's obligations under the 1996 Act and applicable FCC rules. However, BellSouth is under no obligation, either under the 1996 Act or the FCC's Rules to combine network elements with BellSouth's tariffed services. To the extent MCIIm seeks to offer "complete and innovative competitive service offerings," MCIIm can order tariffed services (consistent with the terms of such tariffs) and unbundled network elements to be terminated in its collocation space where MCIIm may combine them in any manner it chooses. BellSouth denies the remaining allegations in Paragraph 182.

183. BellSouth denies the allegations in Paragraph 183.

ISSUE 107

Issue: Should the parties be liable in damages, without a liability cap, to one another for their failure to honor in one or more material respects any one or more of the material provisions of the Agreement? (Part A, Sections 11.1.1 and 11.1.2.)

184. MCIIm's proposed language is not appropriate for inclusion in the Interconnection Agreement. Limitation of liability language is not subject to Section 251 of the 1996 Act and thus is not properly the subject of arbitration under Section 252. BellSouth proposes that Part A, Sections 11.1.1 and 11.1.2 be approved based upon the language that both parties have agreed upon during the negotiations. BellSouth is willing to forego any language with which MCIIm disagrees if MCIIm will forego any language with which BellSouth disagrees. If the TRA is inclined to adopt the language proposed by MCIIm to which BellSouth has not agreed, BellSouth requests that the TRA also adopt the language proposed by BellSouth to which MCIIm has not agreed. BellSouth denies the remaining allegations in Paragraph 184.

185. BellSouth affirmatively asserts that it has "sufficient incentive to comply with the Agreement" without the language proposed by MCIIm. BellSouth denies the remaining allegations in Paragraph 185.

ISSUE 108

Issue: Should MCIIm be able to obtain specific performance as a remedy for BellSouth's breach of contract? (Part A, Section 14.1.)

186. Specific performance is a remedy to which MCIIm may or may not be entitled under Tennessee law. It is certainly not a requirement of Section 251 of the 1996 Act nor is it an appropriate subject for arbitration under Section 252. To the extent MCIIm can show that it is entitled to obtain specific performance under Tennessee law in particular circumstances, MCIIm can make this showing without agreement from BellSouth. BellSouth denies the remaining allegations in Paragraph 186.

ISSUE 109

Issue: Should BellSouth be required to permit MCIIm to substitute more favorable terms and conditions obtained by a third party through negotiation or otherwise, and should BellSouth be required to provide MCIIm with copies of BellSouth's interconnection agreements with third parties within fifteen days of the filing of such agreements with the Commission? (Part A, Section 18.)

187. Section 252(i) of the 1996 Act obligates BellSouth to make available any interconnection, service or network element provided under an approved agreement to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement, and the parties have agreed to language implementing MCIIm's rights under Section 252(i). However, the adoption or substitution of a specific provision contained in a previously approved agreement is effective on the date the amendment is signed by BellSouth and MCIIm. BellSouth is under no obligation to give MCIIm the benefit of those terms and conditions prior to the date the parties' agreement is actually amended. Section 252(h) of the Act obligates state commissions to make a copy of each approved agreement available for public inspection and copying within 10 days after approval. It would be an administrative and economic burden to require BellSouth to provide copies of all approved agreements to MCIIm, and MCIIm cannot demonstrate any need for BellSouth to do so. BellSouth denies the remaining allegations in Paragraph 187.

ISSUE 110

Issue: Should BellSouth be required to take all actions necessary to ensure that MCIIm confidential information does not fall into the hands of BellSouth's retail operation, and shall BellSouth bear the burden of proving that such disclosure falls within enumerated exceptions? (Part A, Section 20.1.1.1.)

188. BellSouth is willing to take all *reasonable* actions necessary to ensure that MCIIm's confidential information "does not fall into the hands of BellSouth's retail operations." MCIIm's proposed language, however, would obligate BellSouth to "take all actions" to protect

such information without any limitation and without specifying what actions MCIIm has in mind. MCIIm's proposal is fraught with difficulties and is an invitation to litigation. The only actions that BellSouth should be required to take are those that are "reasonable." By contrast, MCIIm, by its own admission, proposes to make BellSouth strictly liable for taking "all actions." BellSouth denies the remaining allegations in Paragraph 188 of the Petition.

189. BellSouth objects to MCIIm's proposed "rebuttable presumption" that BellSouth has done something wrong simply by virtue of the fact that MCIIm's confidential information may be disclosed. BellSouth is responsible under the law and will abide by the law in taking all reasonable measures to protect confidential information. However, MCIIm's demand that BellSouth prove that it was not the source of a release of confidential information is patently unreasonable, since MCIIm's confidential information could be disclosed by any number of sources, including MCIIm itself. It is improper and absurd to assume that the disclosure of such information, by default, must have come from BellSouth. BellSouth denies the remaining allegations in Paragraph 189.

ISSUE 111

Issue: What procedures should be followed for audits of billing records? (Part A, Section 21.2.)

190. BellSouth denies that this issue has anything to do with the procedures "for audits of billing records," since the parties have agreed to such procedures. Rather, BellSouth affirmatively asserts that the parties have been unable to agree to language concerning the audit of usage records. Because BellSouth's language is more complete in outlining the nature of such an audit, BellSouth's language should be adopted. BellSouth denies the remaining allegations in Paragraph 190 of the Petition.

191. Any allegations in MCIIm's Petition not specifically admitted are hereby denied.

192. In addition to the unresolved issues properly set forth in MCIIm's Petition, BellSouth identifies the following additional unresolved issue that requires arbitration by this TRA.

ISSUE 112

Issue: Should MCIIm be required to utilize direct end office trunking in situations involving tandem exhaust or excessive traffic volume? (Attachment 4, Section 2.4)

193. In order to alleviate network congestion when there is a tandem exhaust or excessive traffic volume, BellSouth has proposed the following language that would obligate MCIIm to establish direct end office trunking arrangements in such situations:

The Parties shall utilize direct end office trunking under the following conditions:

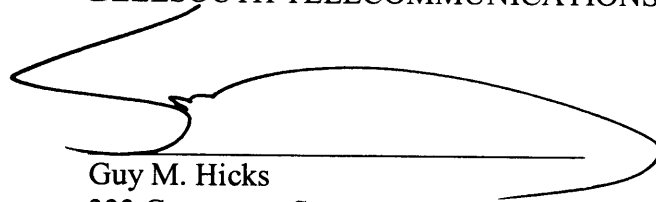
- (1) Tandem Exhaust - If a tandem through which the Parties are interconnected is unable to, or is forecasted to be unable to support additional traffic loads for any period of time, the Parties will mutually agree on an end office trunking plan that will alleviate the tandem capacity shortage and ensure completion of traffic between CLEC-1 and BellSouth's subscribers.
- (2) Traffic Volume -To the extent either Party has the capability to measure the amount of traffic between a CLEC-1 switching center and a BellSouth end office, either Party shall install and retain direct end office trunking sufficient to handle actual or reasonably forecasted traffic volumes, whichever is greater, between a CLEC-1 switching center and a BellSouth end office where the traffic exceeds or is forecasted to exceed a single DS1 of local traffic per month. Either Party will install additional capacity between such points when overflow traffic between CLEC-1's switching center and BellSouth's end office exceeds or is forecasted to exceed a single DS1 of local traffic per month. In the case of one way trunking, additional trunking shall only be required by the Party whose trunking has achieved the preceding usage threshold.
- (3) Mutual Agreement - The Parties may install direct end office trunking upon mutual agreement in the absence of conditions (1) or (2) above and agreement will not unreasonably be withheld.

BellSouth's proposal is reasonable and would minimize service disruptions to customers utilizing the network. MCIIm's position on this issue is not known.

BellSouth requests that the TRA arbitrate the issues set forth in MCI's Petition and in BellSouth's Response and adopt BellSouth's position on each of these issues.

Respectfully submitted, this 9th day of May, 2000.

BELLSOUTH TELECOMMUNICATIONS, INC.

A large, stylized handwritten signature in black ink, appearing to read 'Guy M. Hicks', is written over a horizontal line.

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212019

EXHIBIT "1"

- 1.0 BellSouth shall provide MCIm access to the high frequency portion of the local loop as an unbundled network element ("High Frequency Spectrum") at the rates set forth in Section 5 herein.
 - 1.1 The High Frequency Spectrum is defined as the frequency range above the voiceband on a copper loop facility carrying analog circuit-switched voiceband transmissions. Access to the High Frequency Spectrum is intended to allow MCIm the ability to provide Digital Subscriber Line ("xDSL") data services. The High Frequency Spectrum shall be available for any version of xDSL presumed acceptable for deployment pursuant to 47 C.F.R. Section 51.230. BellSouth will continue to have access to the low frequency portion of the loop spectrum (from 300 Hertz to at least 3000 Hertz, and potentially up to 3400 Hertz, depending on equipment and facilities) for the purposes of providing voice service.. MCIm shall only use xDSL technology that is within the PSD mask parameters set forth in T1.413 or other applicable industry standards. MCIm shall provision xDSL service on the High Frequency Spectrum in accordance with the applicable Technical Specifications and Standards.
 - 1.2 The following loop requirements are necessary for MCIm to be able to access the High Frequency Spectrum: an unconditioned and 2-wire copper loop. An unconditioned loop is a copper loop with no load coils, low-pass filters, range extenders, DAMLs, or similar devices and minimal bridged taps consistent with ANSI T1.413 and T1.601. BellSouth will condition a loop unless conditioning of that loop significantly degrades BellSouth's voice service. BellSouth shall charge, and MCIm shall pay, for such conditioning the same rates BellSouth charges for conditioning stand-alone loops (e.g., unbundled copper loops, ADSL loops, and HDSL loops.)
 - 1.3 MCIm's meet point is the point of termination for MCIm or the toll main distributing frame in the central office ("Meet Point"). BellSouth will use jumpers to connect the MCIm's connecting block to the splitter. The splitter will route the High Frequency Spectrum on the circuit to the MCIm's xDSL equipment in the MCIm's collocation space.
- 2.0 BellSouth will provide MCIm with access to the High Frequency Spectrum as follows:
 - 2.1 BellSouth will purchase, install, and maintain a central office POTS splitter and permit MCIm to interconnect to data ports on

the splitter. MCIm shall thereafter purchase ports on the splitter as set forth more fully below.

- 2.2 BellSouth will install the splitter in (i) a common area close to the MCIm collocation area, if possible; or (ii) in a BellSouth relay rack as close to the MCIm DS0 termination point as possible. For purposes of this section, a common area is defined as an area in the central office in which both Parties have access to a common test access point. BellSouth will cross-connect the splitter data ports to a specified MCIm DS0 at such time that a MCIm end user's service is established.
- 2.3 The High Frequency Spectrum shall only be available on loops on which BellSouth is also providing, and continues to provide, analog voice service. In the event the end-user terminates its BellSouth provided voice service for any reason, and MCIm desires to continue providing xDSL service on such loop, MCIm shall be required to purchase the full stand-alone loop unbundled network element. In the event BellSouth disconnects the end-user's voice service pursuant to its tariffs or applicable law, and MCIm desires to continue providing xDSL service on such loop, MCIm shall be required to purchase the full stand-alone loop unbundled network element.
- 2.4 Only one competitive local exchange carrier shall be permitted access to the High Frequency Spectrum of any particular loop.
- 2.5 To order High Frequency Spectrum on a particular loop, MCIm must have a DSLAM collocated in the central office that serves the end-user of such loop. Such central office must be equipped with splitter equipment installed for purposes of obtaining providing access to the High Frequency Spectrum.
- 2.6 In the event a MCIm end user desires to transfer service to a new location, the end user shall contact BellSouth for the voice portion of its service, and shall contact MCIm for the data portion.
- 2.7 MCIm may only order splitter ports in increments of twenty-four (24) or ninety-six (96) ports.
- 2.8 As soon as a central office has a splitter installed, BellSouth will begin accepting orders for access to the High Frequency Spectrum on lines served by that central office.
- 2.9 BellSouth will provide MCIm the LSR format to be used when ordering the High Frequency Spectrum.

- 2.10 BellSouth will initially provide access to the High Frequency Spectrum within the following intervals: one to five circuits on one order at one address – five days from receipt of LSR; six to ten circuits on one order at one address – ten days from receipt of LSR; more than ten orders on one order at one address – to be negotiated.
 - 2.11 BellSouth will provide MCIm access to data regarding the loop pursuant to the Agreement and any amendments thereto.
- 3.0 MCIm shall have access, for test, repair, and maintenance purposes, to any loop as to which it has access to the High Frequency Spectrum. MCIm may access the loop at the point where the combined voice and data signal exits the central office splitter.
- 3.1 BellSouth will be responsible for repairing voice services and the physical line between the network interface device at the customer premise and the Meet Point of demarcation in the central office. MCIm will be responsible for repairing data services. Each Party will be responsible for maintaining its own equipment.
 - 3.2 If the problem encountered appears to impact primarily the xDSL service, the end user should call MCIm or BellSouth, depending on the customer service relationship between the two entities. If the problem impacts primarily the voice service, the end user should call BellSouth. If both services are impaired, the recipient of the call should coordinate with the other service provider(s).
 - 3.3 BellSouth and MCIm will work together to diagnose and resolve any troubles reported by the end-user and to develop a process for repair of lines as to which MCIm has access to the High Frequency Spectrum. The Parties will continue to work together to address customer initiated repair requests and other customer impacting maintenance issues to better support unbundling of High Frequency Spectrum.
 - 3.3.1 The Parties will be responsible for testing and isolating troubles on its respective portion of the loop. Once a Party (“Reporting Party”) has isolated a trouble to the other Party’s (“Repairing Party”) portion of the loop, the Reporting Party will notify the Repairing Party that the trouble is on the Repairing Party’s portion of the loop. The Repairing Party will take the actions necessary to repair the loop if it determines a trouble exists in its portion of the loop.

3.3.2 If a trouble is reported on either Party's portion of the loop and no trouble actually exists, the Repairing Party may charge the Reporting Party for any dispatching and testing (both inside and outside the central office) required by the Repairing Party in order to confirm the loop's working status.

3.4 In the event MCI's deployment of xDSL on the High Frequency Spectrum significantly degrades the performance of other advanced services or of BellSouth's voice service on the same loop, BellSouth shall notify MCI and allow twenty-four (24) hours to cure the trouble. If MCI fails to resolve the trouble, BellSouth may discontinue MCI's access to the High Frequency Spectrum on such loop. If a trouble is found on MCI's portion of the loop (e.g., service degradation or infusion of data onto the voice line), and such trouble is a result of MCI's failure to provision its portion of the loop in compliance with the technical specifications set forth herein, BellSouth may discontinue MCI's access to the High Frequency Spectrum on such loop.

4.0 BellSouth and MCI agree to the following negotiated, interim rates for the High Frequency Spectrum. The rates for the High Frequency Portion of the Loop will be subject to true up.

DESCRIPTION	USOC	RATES BY STATE								
		AL	FL	GA	KY	LA	MS	NC	SC	TN
SYSTEM, SPLITTER – 96 LINE CAPACITY	ULSDA									
Monthly recurring		\$206.42	\$206.42	\$206.42	\$206.42	\$206.42	\$206.42	\$206.42	\$206.42	\$206.42
Non Recurring – 1st		\$516.25	\$516.25	\$516.25	\$516.25	\$516.25	\$516.25	\$516.25	\$516.25	\$516.25
Non Recurring – Add'l.		NA	NA	NA	NA	NA	NA	NA	NA	NA
SYSTEM, SPLITTER – 24 LINE CAPACITY	ULSDB									
Monthly recurring		\$51.61	\$51.61	\$51.61	\$51.61	\$51.61	\$51.61	\$51.61	\$51.61	\$51.61
Non Recurring		\$516.25	\$516.25	\$516.25	\$516.25	\$516.25	\$516.25	\$516.25	\$516.25	\$516.25
Non Recurring – Add'l.		NA	NA	NA	NA	NA	NA	NA	NA	NA
LOOP CAPACITY, LINE ACTIVATION – PER OCCURRENCE	ULSDC									
Monthly recurring		\$8.35	\$8.35	\$8.35	\$8.35	\$8.35	\$8.35	\$8.35	\$8.35	\$8.35
Non Recurring – 1st		\$69.18	\$69.18	\$69.18	\$69.18	\$69.18	\$69.18	\$69.18	\$69.18	\$69.18
Non Recurring – Add'l.		\$34.37	\$34.37	\$34.37	\$34.37	\$34.37	\$34.37	\$34.37	\$34.37	\$34.37
SUBSEQUENT ACTIVITY – PER OCCURRENCE -	ULSDS									
Non Recurring – 1st		\$42.72	\$42.72	\$42.72	\$42.72	\$42.72	\$42.72	\$42.72	\$42.72	\$42.72
Non Recurring – Add'l.		\$19.80	\$19.80	\$19.80	\$19.80	\$19.80	\$19.80	\$19.80	\$19.80	\$19.80

4.1 Any element necessary for interconnection that is not identified above is priced as currently set forth in the Agreement.

CERTIFICATE OF SERVICE

I hereby certify that on May 9, 2000, a copy of the foregoing document was served on the parties of record, via the method indicated:

☒ Hand
☐ Mail
☐ Facsimile
☐ Overnight

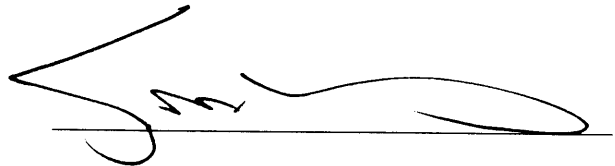
Richard Collier, Esquire
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A handwritten signature in black ink, appearing to read "Jon E. Hastings", is written over a horizontal line.